



USAID
DEL PUEBLO DE LOS ESTADOS
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Cadenas de Valor Rurales

Huehuetenango y San Marcos



RURAL VALUE CHAINS PROJECT

USAID – ANACAFE COOPERATIVE AGREEMENT # AID-520-A-12-00004

QUARTERLY REPORT

January through March 2014

Guatemala, April 29, 2014

1. Introduction

The Rural Value Chains Project (RVCP) is a component of the Feed the Future Initiative (FtF) currently implemented under Cooperative Agreement 520-A-12-00004 subscribed on May 31, 2012 between the Guatemalan National Coffee Association (ANACAFE) and the United States Agency for International Development (USAID).

Project implementation is the responsibility of a Consortium with ANACAFE as the lead institution before USAID. In addition to ANACAFE, the Consortium includes the Guatemalan Confederation of Cooperatives (*Confederacion Guatemalteca de Federaciones de Cooperativas* – CONFECOOP) represented by the Guatemalan Federation of Agricultural Cooperatives of Coffee Producers (*Cooperativas Agricolas de Productores de Cafe de Guatemala* – FEDECOCAGUA) together with the Guatemalan Federation of Agricultural Cooperatives (*Federacion de Cooperativas Agricolas de Guatemala* – FEDECOAG) and the Integrated Federation of Handicraft Producer Cooperatives (*Federacion Integral de Cooperativas de Produccion Artesanal* -ARTEXCO); the Coffee Grower Foundation for Rural Development (*Fundacion de la Caficultura para el Desarrollo Rural* – FUNCAFE) and the FUNDASISTEMAS Foundation.

The objectives of the Project include:

- Reduce poverty and malnutrition rates throughout 21 municipalities in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos¹ by improving income among small-scale producer members of the rural value chains for coffee, horticulture and handicrafts.

- Produce deep-rooted behavioral changes among producers and their families to ensure that improved income remains sustainable and ensures improved nutrition over the short, medium and long terms.

Consortium organizations joined forces to achieve RVCP objectives by implementing activities under each of the components listed below.

- I. Improved competitiveness along the rural value chains;
- II. Greater participation in rural value chains;
- III. Improved agricultural productivity;
- IV. Increased trade and access to markets (private consolidator); **Note:** Implementation of this component was excluded from the USAID-ANACAFE cooperative agreement and included under those for another project with objectives similar to those of RVCP being implemented by a second consortium throughout municipalities in Quetzaltenango, Totonicapan and Quiche;
- V. Increased productivity of food and improved usage, and

¹ Huehuetenango(10): Jacaltenango, Chiantla, San Sebastian Huehuetenango, Todos Santos, Santa Cruz Barrillas, Cuilco, Concepcion Huista, San Antonio Huista, La Libertad and La Democracia.

San Marcos(11): El Rodeo, San Rafael Pie de la Cuesta, San Lorenzo, San Pablo, Tajumulco, Nuevo Progreso, Sibinal, San Miguel Ixtahuacan, Tejutla, San Marcos and San Pedro Sacatepequez.

VI. Improvements in the handicrafts value chain.

In addition to each of the above components, RVCP is undertaking activities across crosscutting issues, as follows.

1. Gender;
2. Environmental mitigation;
3. Entrepreneurial development;
4. Financial services;
5. Communications (information), and
6. Engaging with local and central governments (political dialogue).

The Project Implementation Unit (UIP in Spanish) is responsible for coordinating and facilitating the conditions required for the Consortium to achieve RVCP objectives. Duties also included designing and promoting a participatory process to draft the RVCP Year Two Work Plan currently in effect for the period between October 1, 2013 and September 30, 2014.

The USAID-ANACAFE Cooperative Agreement stipulates that the Project submit three quarterly reports during each year of RVCP implementation (for the periods from October to December, January to March and April to June) together with one annual report (to cover the period from October to September of the following year). The reports must include a narrative description of activities during the period and describe progress to date toward RVCP expected results and indicator targets.

To that end, the UP drafted the current progress report to cover the second quarter of RVCP Year Two implementation (January 1 through March 31, 2014). The technical teams from ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS provided the UIP with input for the report.

2. RVCP Implementation Context

- The coffee harvest season was in full swing in Huehuetenango and San Marcos during the reporting period. As a result, many of the coffee grower members of the RVCP partner organizations found themselves putting most of their time into the coffee harvest. In fact, many of the families in coffee-growing communities temporarily relocated to coffee farms to provide labor for the harvest. This also affected attendance during training activities organized by FUNCAFE for RVCP.

Over the course of the reporting period, most of the coffee co-op groups in Huehuetenango were harvesting coffee, although much of the coffee in San Marcos was harvested in December, except for the crop produced by *Cooperativa Nuevo Progreso*.

Framed by this context, FUNCAFE succeeded in making progress on food and nutritional security (SAN in Spanish) activities by working with handicraft producers from Jacaltenango (*Cooperativa*

La Jacaltequita) in Huehuetenango. FUNCAFE and ARTEXCO technical teams planned site visits to discuss SAN issues and plan upcoming activities. The teams selected 159 families for the planned activities.

- FEDECOCAGUA conducts RVCP activities with 28 grower groups. Of these, 18 groups (64%) are certified by one of more of the following organizations: Utz Certified, Rainforest Alliance, organic production (NOP USDA, EU, JAS) Starbucks Coffee Practices and/or FLO Fair Trade.
- The members of the coffee producer groups in Huehuetenango and San Marcos working with RVCP are low-income farmers who make their living primarily from the sale of agricultural products (of which coffee represents between 80-90%). A very small percentage supplements income by providing labor on coffee plantations in the vicinity. It is well known that illiteracy rates are very high among most small-scale coffee producers. This situation further constrains their access to jobs.
- The spread of coffee rust disease is significantly impacting the coffee producing communities working with ANACAFE under RVCP. A total of 30 grower groups are located in Huehuetenango and an additional 23 are located in San Marcos. The impact of the disease further aggravated their already precarious incomes severely affected by fluctuating prices on the international coffee market. As a result, the grower groups are at even greater risk of food insecurity.
- Public education in most communities throughout Huehuetenango and San Marcos is limited to elementary school and electricity is not yet available in 100% of the communities. About 70% of the roads in those areas are in poor condition year around –again negatively impacting transportation costs to take their goods to market or to procure agricultural supplies.
- Of the 12 grower groups that FEDECOAG works with under RVCP (eight co-ops and four associations), there are a total of 852 horticulture producers (216 women) from 77 communities located throughout Huehuetenango and San Marcos. The horticulture producers plant potatoes, carrots, snow peas, sweet peas, lima beans and other vegetables. A portion of their crop is sold at local markets and another portion is sold to agro-export companies.
- During the current reporting period, ARTEXCO worked with 17 producer groups encompassing a total of 560 artisans (98% of which are women) from 21 communities in eight municipalities within the RVCP target area (six in Huehuetenango and two in San Marcos).

3. Obstacles and Mitigation Measures

- The presence of coffee rust disease (*Hemileia vastatrix*) in Guatemala and its spread to higher altitudes is a constant cause for concern among coffee producers. ANACAFE projections in

January 2014 estimated that the disease had spread on average to 46% of coffee plantations nationwide and to about 40% of the crops in the RVCP target area. Ageing coffee plantations further aggravates the effects of the disease. The economic life cycle of a plantation is estimated at about 25 years yet close to 60% of coffee plantations in Guatemala are at least 15 years old.

It is clear that problems deriving from coffee rust infestations were a significant obstacle to implementing RVCP activities during the current reporting period, particularly to those activities designed to increase production and raise the income of producers along the coffee value chain.

In mitigating the effects of the disease, RVCP technicians continued to work with members of the coffee groups. Efforts included accessing credit through the Trust fund for the Guatemalan Coffee Sector, either individually or through the organization. In addition, ANACAFE and FEDECOCAGUA technicians worked to monitor the spread of coffee rust in preparation for programs to eradicate the disease.

- The start of the school year was delayed for four weeks or more in certain locations as a result of teacher strikes. As a result, RVCP activities on school garden plots were similarly delayed. The situation at the Ministry of Education went well beyond the control of FUNCAFE technicians.
- FUNCAFE also faced delays this quarter in receiving approval for the educational material required for the workshops on food and nutritional security. USAID/Guatemala recommended adjustments and NutriSalud also provided some technical recommendations. Program personnel implemented the changes, but the process to publish two handbooks is still pending.
- FUNDASISTEMAS improved its operational structure in the field to better serve the entrepreneurial development actions promoted this quarter by ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO. The Program expects that the changes will improve overall results. FUNDASISTEMAS hired facilitators to support implementation of the RVCP Entrepreneurial Development System (SIDEM in Spanish) and also hired a coordinator for implementation or support activities. The coordinator reports to the Project Manager and to the Management Board.

The FUNDASISTEMAS organizational structure to implement the RVCP SIDEM methodology is designed around 16 entrepreneurial development technicians (five in ANACAFE, eight in ARTEXCO, one in FEDECOAG and two in FEDECOCAGUA) for the 108 producer groups, of which 73 are identified as organizations (34 in San Marcos and 39 in Huehuetenango). Of these 73 organizations, 42% speak Spanish, 33% speak Mam, 16% speak Qanjobal and the rest speak Popti and Chuj Coataneco.

Technicians have to travel to remote locations to work with the producer groups. About 77% of the time, they have to transit dirt roads, a third of which are in very poor condition. The remaining 23% of their transit is on paved roads.

- Of the total number of producers working with ARTEXCO on RVCP activities, 51% speak Mam and 49% speak Popti. The situation makes for difficult communication between producer groups and limits the field technician. As a result, the Program has attempted to hire interpreters, but is finding it difficult to locate interpreters that can invoice their services. The Program is working to identify a solution.
- The northern region of Huehuetenango and most of San Marcos were hit by heavy rainfall this quarter, damaging roadways and coffee plantations. Coffee plants were severely affected by higher incidences of coffee rust as a result of unseasonal humidity. As a result, RVCP saw reduced attendance and limited participation in planned activities.
In mitigating these conditions, the Program scheduled special meetings to plan efforts to reduce the effects from the heavy rainfall and redouble efforts to monitor wet mill processing to ensure quality control.
- Some coffee producers (40%) expressed interest in renewing their coffee plantations, but most held back due to financial constraints as a result of reduced yield due to coffee rust and low market prices.

To address this problem, FEDECOCAGUA planned a series of field visits with members from five co-ops in San Marcos to visit renewed coffee plantations. The field visits allowed producers to witness the benefits first hand of renewed plantings and accept recommendations to renew at least a small portion of their plantation. A total of 52 producers participated in the field visits.

- ARTEXCO lacks sufficient vehicles; a fact that is limiting the ability of technical personnel to travel to rural communities. The Program is processing requests through USAID to procure appropriate vehicles.
- Most of the artisans in rural communities work outside the formal economy. That is to say, they lack tax registration and legal invoices to support their bookkeeping. This negatively impacts RVCP activities in that ARTEXCO is constrained in purchasing samples or procuring goods and services such as those for translation or interpretation. The Program is exploring the possibility of authorizing and printing special invoices to be issued by ARTEXCO.
- The handicraft groups have little or no working capital and this severely constrains their ability to invest in new or improved products. ARTEXCO is seeking financing to address the situation.
- Most artisans have little time to participate in RVCP activities. Most of the interventions require a number of sessions (the artisan might be required to attend 18 or more sessions) for entrepreneurial development, food and nutritional security (a total of 12 sessions), quality control (four sessions), finances and accounting (six sessions), marketing (three sessions) and gender considerations (ten sessions). To overcome this obstacle, ARTEXCO designed a program entitled “Step by Step with Artisans” to consolidate all of the activities listed above under a single 12-session program.

4. Activities and Progress toward Results

4.1 General:

- The Project coordinated efforts with the ANACAFE coffee tasting department to organize a regional competition for Huehuetenango. In addition, the marketing department worked to encourage coffee producer groups, including those working with RVCP, to submit their entries.
- The ANACAFE technical team in Huehuetenango promoted a series of activities that become the basis for training events.
- In response to requirements to comply with the General Law on Cooperatives, the Project provided assistance to organize a meeting of the general assemblies for each co-op working with RVCP in both Huehuetenango and San Marcos. Project assistance also extended to comply with the need to publish an annual report and financial balance sheets.
- ARTEXCO completed the process to collect preliminary information on each handicraft producer group regarding their trade activities. The information will be used to create a baseline on income levels and sales, as well as to track future results and impacts from RVCP activities.
- FUNDASISTEMAS provided training to the ARTEXCO technical staff on the SIDEM methodology. The training also provided an opportunity to review the training program run by FUNDASISTEMAS for their technical staff together with a discussion on their governance handbook. As a result, ARTEXCO is now in a position to replicate the process with handicraft producer groups that complete the initial diagnostic assessment for SIDEM.
- As part of the process to improve the RVCP technical team's knowledge base, ARTEXCO organized an experience exchange with FUNDAZUCAR regarding their industrial development strategy for food and nutritional security. ARTEXCO also worked with Grupo SAQUIL to review their methodology in working with artisans, improving production processes and successfully exporting products.

4.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chain

- **ANACAFE (coffee value chain)**
 - **Increased Yields**

Over the current reporting period, the RVCP technical team in Huehuetenango organized several activities under the Annual Work Plan to push forward technical crop management, increase the participation of men and women in RVCP associations, groups and co-ops.

The Project scheduled technical site visits to underscore the importance of using plants resistant to coffee rust disease for nurseries and seedlings when renewing coffee plantations. To this end:

- The Project provided assistance to develop two nurseries using the Catimor variety in the vicinity of San Francisco Jolomtaj. The nurseries were planted with two pounds of seed each for a total of about 4,000 plants.
- The Project worked with 11 volunteers to produce a nursery using 2.5 pounds of Sarchimor seeds. The Project is also providing assistance to work with women and include their participation in the value chain by helping them produce a nursery of both Catimor and Sarchimor seedlings.
- The Project continued to schedule talks on effective ways to curb the spread of coffee rust disease.
- The Project worked with producers from Yula San Juan and San Jorge (lowlands) on tissue culture activities for 16 hectares of coffee plantations. The Project is also replicating the activity at higher altitudes.

– **Employment Generation**

The RVCP organizations in San Marcos created a total of 381 jobs for the 2013-2014 harvest season. The 16 coffee grower groups produced 901,700 pounds of parchment coffee over 1,234 hectares. RVCP technicians estimate that 11 man/days go into producing each 100 pounds of parchment coffee and that 260 work days constitute employment.

– **Technical Assistance and Support for Entrepreneurial Strengthening**

During the reporting period, the Project worked with 14 producer organizations in San Marcos to draft their respective annual reports, hold general assemblies, increase accountability and build trust among their membership regarding effective management of their resources. The Project worked with the following producer organizations:

Asociacion Campesina Unidos para la Paz y el Desarrollo Comunitario, Cooperativa Integral Agrícola Nuevo Eden, Empresa Campesina Asociativa Emanuel, Cooperativa Nuevo Porvenir, Asociacion Civil de Productores Agrícolas Flor del Cafe, Asociacion de Pequeños Caficultores de Liberación "APECAFEL", Cooperativa Integral Agrícola La Igualdad, Cooperativa Integral Agrícola Entre Ríos, Asociacion de Pequeños Caficultores Organicos Mayas Mames (APECAFORM Centro I and Centro II), Asociacion de Proyectos Fronterizos (APROFRO), Asociacion de Pequeños Caficultores Comunidades Unidas (ACIPACU), Asociacion Media Cuesta and Asociacion de Desarrollo Integral Buenos Aires (ADIBA).

Working in compliance with the bylaws currently in effect within each organization, RVCP also provided assistance to elect members to the boards of *Asociacion de Desarrollo Integral Buenos Aires "ADIBA"* and *Cooperativa Integral Agrícola "Entre Ríos"* in San Marcos. The Project is currently supporting the organizations in tracking procedures to update their records at the Ministry of Government, the National Co-operative Institute, SAT and ANACAFE.

Five RVCP coffee organizations held their respective general assemblies and re-elected board members, indicating their overall satisfaction with board stewardship, as follows: *Cooperativa Integral Agrícola Nuevo Eden R.L.*, *Cooperativa Integral Agrícola Nuevo Porvenir*, *Empresa Campesina Asociativa Emanuel*, *Asociación Campesina Unidos para la Paz y el Desarrollo Comunitario (ACUPDIC)* and *Asociación de Caficultores Miguelenses (ACMI)*.

As part of the efforts to comply with the SIDEM governance phase, RVCP technicians provided support to update the records on the legal representatives for three coffee grower groups, as follows: *Asociación Campesina Unidos para la Paz y el Desarrollo integral Comunitario (ACUPDIC)*, *Empresa Campesina Asociativa Nueva Escocia* and *Asociación de Caficultores Miguelenses (ACMI)*.

The Project worked in San Marcos this quarter to strengthen capacity among members of the following grower groups: *Cooperativas Integrales Agrícolas Nuevo Eden*, *Nuevo Porvenir* and *Asociación de Caficultores Miguelenses (ACMI)* to fulfill yearly requirements to submit annual reports to a number of regulatory agencies (i.e. INACOP, INGENCO, SAT). The Project also worked with *Cooperativa Integral Agrícola Nuevo Eden* to set up and register accounting records with SAT and INGENCO.

The Project also coordinated efforts with coffee trading companies (Mocino, Organic Products Trading Company (OPTCO) and Quijote Coffee –headquartered in Germany and the U.S., respectively) to visit RVCP grower groups (*Asociación de Desarrollo Integral Buenos Aires “ADIBA”*, *Cooperativa Integral Agrícola “Entre Ríos”* and *Asociación de Pequeños Productores Entre Cerros -APAECE*). The purpose for their trip was to gain first hand knowledge of their productive processes and strengthen commercial ties.

As a result of successful efforts by their respective boards, three grower groups (*Asociación Civil de Productores Agrícolas Flor del Café*, *Asociación de Pequeños Caficultores de Liberación “Apecafel”* and *Asociación Civil de Productores Agrícolas Flor del Café*), were granted funds in the amount of GTQ 612,215.77 from the Rural Economic Development Program (*Programa de Desarrollo Económico desde lo Rural –PDER* in Spanish) to implement the following projects: Specialized Production of Organic Coffee and Improved Coffee Production and Trade.

Six coffee producer organizations in Nuevo Progreso, San Marcos (*ECA Emanuel*, *ECA Nueva Escocia*, *Cooperativa Nuevo Porvenir*, *Cooperativa nuevo Eden*, *ACUPDIC*, and *GAT Nuevo San Luis*) noticed reduced coffee yields of approximately 40% for their 2013-2014 harvest, primarily attributed to damages from coffee rust disease over about 50% of their plantations. To remedy the situation, the Project is providing assistance to renew coffee plants with disease-resistant varieties and use tissue management and selective pruning methods. The methods had been implemented in 2013 over about 25% of the plantations. The Project notes about 35% reduced yield per hectare among the RVCP grower groups.

The Project provided assistance to ensure that members would review, discuss and approve their financial statements during their respective general assembly meetings, as follows:

Cooperativa Integral Agrícola Nuevo Porvenir, R.L., Cooperativa Integral Agrícola Nuevo Eden, R.L., Asociación Campesina Unidos para la Paz y el Desarrollo Integral Comunitario (ACUPDIC), Empresa Campesina Asociativa Emanuel, Asociación de Pequeños Productores Orgánicos Mayas Mames (APECAFORM), Asociación Civil de Pequeños Agricultores Comunidades Unidas (ACIPACU), Asociación de Pequeños Productores de Café de Liberación (APECAFEL), Asociación de Desarrollo Integral Buenos Aires (ADIBA) and Asociación de Caficultores Miguelenses (ACMI).

The Project provided assistance to seven grower groups in San Marcos to draft budget reports for the recognition awarded by the Fair Trade Labeling Organization International, FLO, as follows: *Asociación de Pequeños Productores Orgánicos Mayas Mames, Asociación Civil de Pequeños Agricultores Comunidades Unidas, Asociación de Pequeños Productores de Café de Liberación, Asociación Media Cuesta, Cooperativa Integral Agrícola Entre Ríos, Asociación Civil Flor del Café and Asociación de Desarrollo Integral Buenos Aires.* The Project worked with the above grower groups as a result of increased transparency and accountability by their boards before members, as mandated by FLO.

RVCP technical staff in San Marcos supervised and updated the internal controls in place within four coffee producer groups, as follows: *Cooperativa Integral Agrícola Nuevo Porvenir, R.L., Cooperativa Integral Agrícola Nuevo Eden, R.L., Asociación Campesina Unidos para la Paz y el Desarrollo Integral Comunitario (ACUPDIC) and Empresa Campesina Asociativa Emanuel.*

RVCP worked this quarter to support the respective accounting staff in preparing balance sheets and financial reports for the following grower groups: *Cooperativa Integral Agrícola Nuevo Porvenir, R.L., Cooperativa Integral Agrícola Nuevo Eden, R.L., Asociación de Campesinos Unidos para la Paz y el Desarrollo Integral Comunitario (ACUPDIC), Empresa Campesina Asociativa Emanuel, Asociación Civil de Pequeños Agricultores Comunidades Unidas (ACIPACU), Asociación de Pequeños Productores de Café de Liberación (APECAFEL) Asociación de Desarrollo Integral Buenos Aires (ADIBA), Asociación Media Cuesta, Cooperativa Integral Agrícola Entre Ríos, Asociación Civil Flor del Café, Asociación de Pequeños Productores Orgánicos Mayas Mames (APECAFORM) and Asociación de Caficultores Miguelenses (ACMI).*

The Project also worked closely this quarter with 13 grower groups in San Marcos to submit their tax returns on line, as follows: *Cooperativa Integral Agrícola Nuevo Porvenir, R.L., Cooperativa Integral Agrícola Nuevo Eden, R.L., Asociación de Campesinos Unidos para la Paz y el desarrollo Integral Comunitario (ACUPDIC), Empresa Campesina Asociativa Emanuel, Asociación de Pequeños Productores Entre Cerros (APPAECE), Asociación Civil de Pequeños Agricultores Comunidades Unidas (ACIPACU), Asociación de Pequeños Productores de Café de Liberación (APECAFEL) Asociación de Desarrollo Integral Buenos Aires (ADIBA), Asociación Media Cuesta, Cooperativa Integral Agrícola Entre Ríos, Asociación Civil Flor del Café, Asociación de Pequeños Productores Orgánicos Mayas Mames (APECAFORM) and Asociación de Caficultores Miguelenses (ACMI).*

RVCP technicians worked closely with *Cooperativa Integral Agrícola Nuevo Porvenir, R.L.* in San Marcos to train their treasurer and ensure improved accountability.

In addition, the Project also increased efforts to support this same grower group (*Cooperativa Integral Agrícola Nuevo Porvenir, R.L.*) in San Marcos to see the 38 members fully paid up with their initial contributions as mandated by the Law on Co-operatives.

Using RVCP assistance, the *Asociación Campesina Unidos para la Paz y el Desarrollo Integral Comunitario (ACUPDIC)* in San Marcos reviewed accounting records and updated their financial reports.

Again in San Marcos, the Project worked with *Asociación Civil de Productores Agrícolas Comunidades Unidas (ACIPACU)* to implement a system to record coffee processes according to the number of sacks delivered by each member and the total amount of advance payments issued to each grower. The Project also worked closely with *Asociación Civil de Pequeños Agricultores Flor del Café y Asociación de Pequeños Productores Orgánicos Mayas Mames (APECAFORM)* to implement a method to track credit lines.

– **Increased Income**

During FY2013, the Project worked with six coffee grower groups in Huehuetenango to use the opportunity provided during their respective general assemblies to discuss issues regarding their profits totaling GTQ 724,576.00. The increased revenue is partly the result of best management practices implemented by the Project, including: (a) strategic planning; (b) business plans; (c) annual work plans, and (d) effective budgeting and expenditures.

- As a result of training provided by the Project and the implementation of internal controls, the *Cooperativa Integral Agrícola Nuevo Eden* in San Marcos increased its capital from GTQ 160,000.00 to GTQ 183,000.00 (14% increase) and the *Asociación de Caficultores Miguelenses (ACMI)* increased revenue from GTQ 274,759.92 to GTQ 279,777.00 (2% increase).

In addition, RVCP worked in San Marcos with *Asociación de Pequeños Productores Entre Cerros (APPAECE)* and *Asociación de Caficultores Miguelenses (ACMI)* to market their coffee by implementing a business plan based on an initial step to determine coffee quality (sampling by ANACAFE labs), followed by yield forecasting, contacts with potential buyers, the use of a marketing plan and personal visits to buyers.

During the reporting period, a total of 14 grower groups received RVCP assistance to develop their budgets, plan disbursements, efficiently invest their financial resources and ensure transparent spending. The organizations are as follows: *Cooperativa Integral Agrícola Nuevo Eden R.L.*, *Cooperativa Integral Agrícola Nuevo Porvenir* y la *Asociación Campesina Unidos para La Paz y el Desarrollo Comunitario*, *Asociación Civil de Productores Agrícolas Flor del Café y Asociación de Pequeños Caficultores de Liberación "APECFEL"*, *Cooperativa Integral Agrícola La Igualdad*, *Cooperativa Integral Agrícola Entre Ríos*, *Asociación de Pequeños Caficultores Orgánicos Mayas Mames (APECAFORM Centro I and Centro II)*, *Asociación de Proyectos Fronterizos (APROFRO)*, *Asociación de Pequeños*

Caficultores Comunidades Unidas (ACIPACU), Asociacion Media Cuesta, Asociacion de Desarrollo Integral Buenos Aires (ADIBA) and Asociacion de Caficultores Miguelenses (ACMI).

– **Improved Post Harvest Handling**

Over the reporting period, the RVCP technical team in Huehuetenango monitored coffee quality and sampled 40 lots from 30 producer groups at the testing lab. Results are completed for 20% of the samples, indicated that 80% are acceptable cups, strictly hard bean.

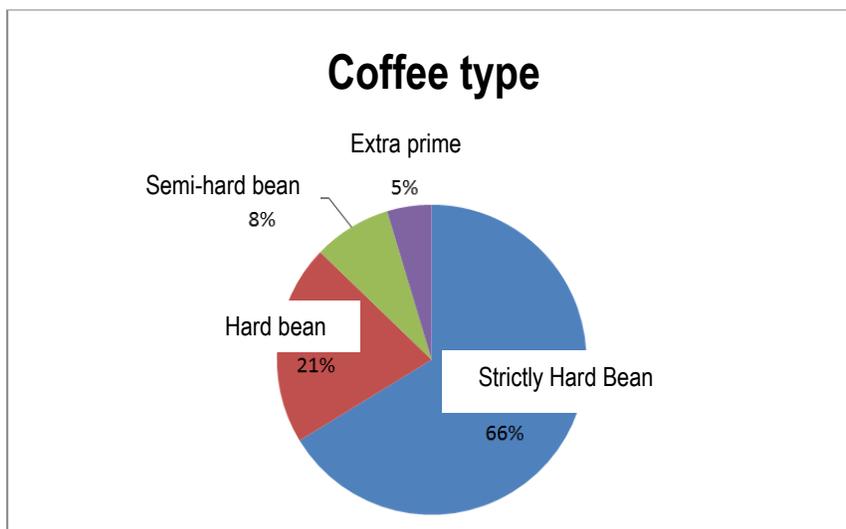
The Project worked to organize a regional coffee competition for Huehuetenango and awarded prizes to Pedro Aguilar from *Asociacion Integral de Caficultores Rancho Viejo, (AIDEC)* and to Fidencio Mejla from *Asociacion de Permacultores de Cuilco*. In addition, entries provided by ASODIET and AIDEC will participate in the ANACAFE program to auction specialized coffees.

The RVCP technical team in San Marcos oversaw operations for six wet mill processing facilities from an equal number of coffee grower groups to verify compliance with food safety standards and quality assurances, as follows: *Asociacion Flor del Cafe en Sibinal, Asociacion de Desarrollo Integral Buenos Aires ADIBA, Cooperativa Integral Agrícola La Igualdad R: L., de San Pablo, Asociacion Campesina Unidos para la Paz y el Desarrollo Integral Comunitario ACUPDIC, Cooperativa Integral Agrícola Nuevo Eden and La Empresa Campesina Asociativa Emanuel, en Nuevo Progreso.*

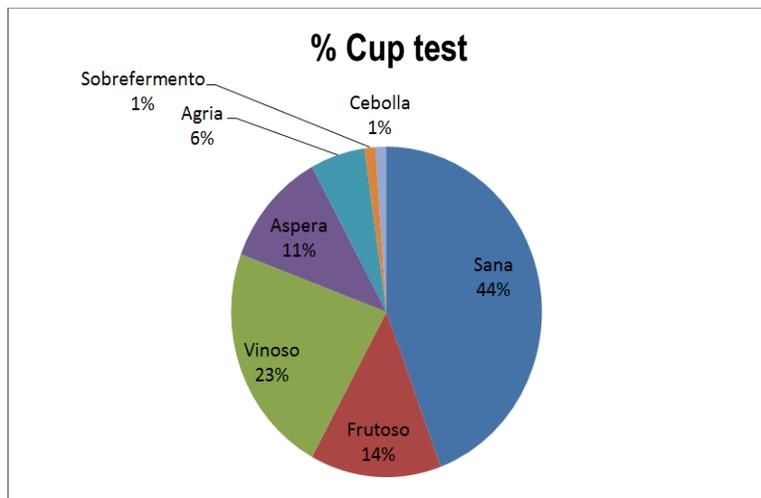
The Project worked with *Asociacion de Pequeños Caficultores del caserío Liberación APECAFEL* in San Marcos to train three of their members to operate the guardiola dryer to process 1,500 pounds of dry parchment coffee. RVCP technicians also helped supervise construction of a wet mill facility for one of the members from *Asociacion de Caficultores Miguelenses* who invested GTQ100,000.00 to increase capacity to process 1,200 pounds of ripe coffee per hour.

The Project worked with grower groups in San Marcos to assess and monitor coffee quality by sampling 65 lots of parchment coffee from 13 producer groups. The Project will recommend any corrective measures necessary once the results are back from the ANACAFE tasting lab.

The following graph illustrates findings from the 86 coffee samples: 66% of the samples were SHB, 21% were hard bean, 8% were semi-hard beans and 5% were extra prime.



The next graph illustrates results from the 65 samples for acceptable cups: 44% were acceptable and free of defects (Sana), 14% were overly fruity (Frutoso), 23% were winy (Vinoso), 11% were astringent (Aspera), 6% were tart (Agria), 1% were over fermented (Sobrefermento) and 1% were oniony (Cebolla).



In efforts to increase value added through appropriate marketing, the Project worked this quarter with *Asociacion de Caficultores Miguelenses (ACMI)* in San Miguel Ixtahuacan, *Asociacion de Pequeños Caficultores Mayas Mames (APECAFOM)* in Tajumulco and *Asociacion de Pequeños Productores Agrícolas Entre Cerros (APPAECE)* in San Pedro Sacatepequez, to enter the national competition "Cup of Excellence." Each participant submitted three lots of 3,000 pounds each of parchment coffee.

The Project completed a total of 255 technical site visits to 22 coffee producer groups in San Marcos. The visits provided opportunities to review coffee plantations, nurseries and post-harvest handling, demonstrate methods, provide training and strengthen capacity among board members. The visits also encouraged increased citizen participation.

RVCP technicians in San Marcos organized 69 training workshops as follows: quality control for wet mill processing, troubleshooting hand-operated de-pulping equipment, managing productive tissue, waste management, integrated coffee rust disease management, soil conservation techniques, coffee seedling production, spraying equipment maintenance and

adjustments, integrated pest management, grafting techniques, legislative regulations, negotiation techniques, the role of boards of directors, leadership and citizen participation. A total of 1,295 growers attended the events, of which 1,018 were men (79%) and 277 were women (21%). The following table summarizes the data.

Participation at RVCP Training Events in San Marcos

Organization	Total Events	Total Participants		
		Men	Women	Total
<i>Cooperativa Int. Agr. Nuevo Eden, R. L.</i>	3	10	13	23
<i>Asociacion Campesina Unidos Por la Paz y el Desarrollo Integral Comunitario (ACUPDIC)</i>	4	53	15	68
<i>Cooperativa Int. Agr. Nuevo Porvenir, R. L.</i>	4	36	4	40
<i>ECA Emanuel</i>	3	39	2	41
<i>GAT San Luis</i>	1	15	0	15
<i>GAT El Cafetalito</i>	2	22	0	22
<i>Asociacion de Pequeños Productores Entre Cerros "APAECE"</i>	1	9	0	9
<i>Asociacion Civil de Pequeños Caficultores de Liberacion APECAFEL</i>	1	20	6	26
<i>Asociacion Civil de Pequeños Agricultores de Comunidades Unidas ACIPACU</i>	2	27	11	38
<i>Asociacion de Proyectos Fronterizos (APROFRO)</i>	4	103	12	115
<i>Asociacion Media Cuesta</i>	2	31	8	39
<i>Asociacion de Pequeños Caficultores Organicos Mayas Mames (APECAFORM)</i>	5	117	19	136
<i>Asociacion de Pequeños Caficultores Organicos Mayas Mames (APECAFORM) Centro II</i>	2	42	3	45
<i>Asociacion de Desarrollo Integral Buenos Aires "ADIBA"</i>	3	56	16	72
<i>Cooperativa Integral Agrícola Entre Ríos R.L.</i>	2	48	14	62
<i>Asociacion de Pequeños Caficultores Flor del Café</i>	2	51	12	63
<i>Cooperativa Integral Agrícola La Igualdad R.L.</i>	1	15	9	24
<i>GAT La Lima</i>	7	114	50	164

<i>GAT La Pena</i>	5	89	30	119
<i>GAT Siete Platos</i>	4	62	15	77
<i>GAT Legual</i>	11	59	38	97
TOTAL	69	1018	277	1295

In addition, RVCP launched a program this quarter to offer certification courses. The program includes a total of ten courses: two on modern coffee production, one on the use and safe handling of pesticides, two on wet mill processing, three on human resource management and two on effective operational management. Participants represent 22 of the RVCP coffee producer groups.

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Increased Yields**

The Project tracked increased yields this quarter for the RVCP coffee grower groups under FEDECOCAGUA in San Marcos and Huehuetenango to reveal an average of 21,700 pounds of parchment coffee/hectare (for a total yield of 6,157,000 pounds of parchment coffee at a total production cost of GTQ56,705,970.00). The net sales are GTQ61,570,000.00 averaging from GTQ700 per hundred pounds up to GTQ1,300 per hundred pounds. Gross profits this quarter amounted to GTQ 864,030.00.

The production cost structure per each 100 pounds of coffee is summarized in the following table.

Description	Total (in GTQ)
1. labor costs (11 man/days per 100 pounds of parchment coffee)	Q. 550.00
2. seedlings for replanting	Q. 23.00
3. pest and disease control	Q. 79.00
4. fertilizer	Q. 135.00
5. wet mill processing	Q. 50.00
6. financial costs	Q 84.00
TOTAL COST/100 lbs. of parchment coffee	Q 921.00

The average price of labor in this area is GTQ50 per man/day –far short of the legal minimum wage set at Q76.06 (Government Decree 537-2013).

The costs are merely averages, affected by the increased prevalence of coffee rust disease, financial costs and significant losses from selling coffee at unprofitable market prices (less than GTQ900 per hundred pound bag of parchment coffee).

– **Increased Income**

- a. Project technicians provided assistance to grower groups in adjusting salary levels among their management staff in compliance with domestic legislation and certification requirements i.e. FLO, UTZ Certified, Starbucks CAFE Practices and Rainforest Alliance.
- b. The team also implemented activities to generate additional income and provide services for the community. To illustrate, *Cooperativa San Jose el Oreburo* set up a tortilla factory with quarterly revenues of GTQ12,000.00. Another example is *Cooperative Tajumulco* providing fax and photocopy services to generate revenues of GTQ 2,500.00.
- c. In addition, producers generated additional revenue from coffee auctioned in March by TULLY'S COFFEE and FEDECOCAGUA. *Cooperativa San Jose el Obrero* took first place and a US\$5,000.00 cash prize. *Cooperativa Agua Dulce* took fifth place with a cash prize of US\$2,000.00 and *Cooperativa El Porvenir* came in sixth for a cash prize of US\$2,000.00.
- d. Project technicians working in San Marcos recommended planting banana trees when renewing coffee plantations as a means to diversify income.

– **Improved Management Practices**

- a. The Project team monitored wet mill processes to improve inflows, outflows and set coffee prices in regard to cash advances against crop yields.
- b. RVCP technicians worked with grower groups to monitor commodity prices on the New York Stock Exchange as a means to bolster trade negotiations.
- c. The Project worked with *Cooperativa El Porvenir* during their general assembly in March to approve a motion to use GTQ72,166.19 from their profits to loan out to their members to renew coffee plantations. The loans will be offered at 18% annual interest.
- d. Project technicians also worked with grower groups in San Marcos (San Jose, Esperancita and Nuevo Progreso cooperatives) to approve their social, environmental and sustainable production policies. In addition, technicians in Huehuetenango supported *Cooperativa Agua Dulce* to approve social and environmental policies during their general assembly.
- e. RVCP technicians worked with *Cooperativa Tajumulco* to implement accounting programs.
- f. The Project provided assistance to Todosantera, San Jose El Oreburo and San Pedro Necta co-ops to improve their accounting records.

- g. The Project worked with grower groups in San Marcos and Huehuetenango to implement and update crop records as a means to ensure traceability for certified coffee.
 - h. RVCP technicians continued to work with management staff from Nuevo Progreso, San Jose La Esperancita co-ops.
 - i. The Project redoubled efforts to make progress certifying (JAS, NOP-USDA and CEE) organic production by co-ops in Chojzuni, Coataneca and Cocolense.
 - j. RVCP technicians assisted grower groups (San Jose Maxbal, Union Coataneca and Providencia) to obtain legal status for their organizations (total membership includes 19 women and 101 men).
 - k. RVCP staff provided support to diversify income by growing cardamom to benefit two female and 36 male members of *Cooperativa Cocolense*.
 - l. The team worked with three accountants from six grower groups to classify accounting records (Alexander Miranda from *Cooperativa Agua Dulce*, Max Castillo from *Cooperativa San Pablo* and Erick Morales from *Cooperativa Comunidades Unidas*, *Cooperativa La Bendicion*, *Cooperativa 21 de Octubre* and *Cooperativa San Jose*).
 - m. The Project reviewed the financial statements for eight co-ops in San Marcos (*La Esperancita*, *San Pablo*, *San Jose*, *21 de Octubre*, *Comunidades Unidas*, *La Bendicion*, *Nuevo Progreso* and *Riviera del Cabuz*).
 - n. RVCP technicians worked to build consensus within 14 co-ops (nine in San Marcos and five in Huehuetenango) to implement and update their internal regulations.
 - o. The team scheduled three training events on tax reform for cooperatives in Huehuetenango.
- **Improved Post-harvest Handling**
- a. The Project trained and assisted personnel working in both collective and individual wet mill facilities.
 - b. Technical staff used visual inspections and tasting to monitor and evaluate coffee quality.
 - c. Technicians also monitored waste and by-product management from wet mill processing.
 - d. The Project monitored and tracked coffee transported from co-ops to the FEDECOCAGUA dry mill (by date, lot number, weight and origin).

- e. The Project provided assistance to institute delivery receipts and quality checks at the FEDECOCAGUA dry mill while also recording warehouse storage according to coffee quality once each of the lots have been sampled.
 - f. The Project provided assistance to build 91 holding tanks for wastewater (18 at *Cooperativa Agua Dulce*, 40 at *Todosanterita*, *San Jose el Oreburo* and *Tajumulco* co-ops, 21 at *Cooperativa Union Coataneca* and 12 at *Cooperativa Cocolense*).
 - g. The Project worked to procure five eco-friendly wet mills for *Cooperativa San Pablo* in San Marcos and *Todosanterita*, *San Jose El Obrero*, *Hoja Blanca* and *Rio Limon* co-ops in Huehuetenango. The units will serve as models for growers to make efficient use of water, improve product quality and better manage waste products.
 - h. Five collectively owned wet mill facilities in San Marcos produced 130,000 pounds of coffee pulp for composting. The wet mill facilities are owned by the following co-ops: *21 de Octubre*, *Comunidades Unidas*, *La Bendicion*, *La Esperancita* and *San Jose*.
 - i. Wet mills that are individually owned by producers usually compost the coffee pulp mixed with manure and ashes. A total of 300 growers from El Porvenir, 30 from Rio Limon, 100 from Axola and 15 from Teogal worked this quarter to build their compost bins.
 - j. The Project provided assistance to monitor quality control for four coffee dryers installed at *Cooperativa Nueva Union*.
 - k. Technicians adjusted ten de-pulping machines at *Cooperativa Cocolense*, eight at *Cooperativa Nueva Providencia*, five at Maxbal, 15 at *Cooperativa Chojzunil*, ten at *Union Coataneca* and five at *Pananchilac*.
 - l. On a broader level, Project technicians joined efforts with FEDECOCAGUA to also monitor quality throughout coffee drying facilities for 28 RVCP organizations in San Marcos and Huehuetenango.
- **Employment Generation**
- A total of 2,605 formal jobs were created this quarter throughout processes to produce 615,700 pounds of parchment coffee harvested this season. Of these, women took 781 jobs (30%) while men filled 1,824 (70%) positions.

Part time employment accounted for 161 jobs including positions for internal inspectors and phytosanitary brigades.

– **Training on Agriculture, Entrepreneurial Development and Nutrition**

The following table summarizes training activities and total participants..

Item	Training Event	Participants
1	Integrated Pest Management	142
2	Tissue Management and Plantation Renewal	644
3	Shade Management	110
4	Managing and Controlling Coffee Rust Disease	230
5	Preparing Seedlings	6
6	Soil Sampling	7
7	Interpreting and Tracking International Coffee Prices	230
8	Soil Conservation and Contour Planting	6
9	Safely Using Agrochemicals	80
10	Effective Management of Wet Mills and Traceability	307
11	Shade Management	43
12	Coffee Plant Nutrition	28
13	Composting	25
14	Tax Reform	44
15	Planning and Holding Assembly Meetings	158
16	Handbook for Board Members	17
17	Employee Duties	12
	TOTAL PARTICIPATION	2,089
	TOTAL Number of Members Participating	836

Source: Project data using FEDECOCAGUA records

– **FEDECOAG (Horticulture Value Chain)**

– **Increased Yield as a Result of Improved Agricultural Practices**

The Project succeeded in encouraging growers to implement Good Agricultural Practices (GAPs) to promote healthy plant growth, reduce pests and disease.

GAPs include:

- Correct use of products to protect crops
- Use and management of water resources
- Use of phytosanitary products
- Harvesting, storing, packaging and transporting
- Record and document production
- Crop rotation
- Fertilizing based on soil sampling and lab tests
- Environment
- Traceability
- Safe use and handling of chemical containers

Project technicians provided assistance to take 47 soil samples to test for nutrients and 18 to test for pests. As a result, growers developed their application programs for potato and pea crops and ensured that their soils remained pest free. At the time of this writing, some crops are ready for harvest, while others are germinating and developing. As a result, the Project does not yet have available data on yields and increased production.

The Project worked with 34 producers from *Cooperativa Nueva Esperanza* on their ADISAGUA certification for Global GAP (leading to a price bonus on every pound exported through the *Grupo Seis* trade company).

– **New Export Crop**

RVCP technicians worked intensely this quarter to provide technical assistance and training on growing three new export crops (snow peas, sweet peas and lima beans) for an equal number of producer groups.

As a result, the groups are successfully scaling in the harvest of crops in Huehuetenango for export markets.

The Project completed arrangements with ASOCUCH for a technical cooperation agreement to provide assist three organizations in Huehuetenango.

The RVCP team provided growers with technical assistance and training on production, organizational strengthening, health and nutrition.

RVCP technicians participated in a series of training events organized by the UIP with experts from FUNDASISTEMAS, UVIGER-USAC, FUNCAFE, AGREQUIMA and USDA on the following subjects:

- integrated pest management (for snow pea and green bean crops);
- Agricultural conference;
- Global warming;
- Global Gap standards and environmental impact assessments;
- Soil and fertility analysis;
- Family garden plots;
- Use and maintenance of water filters, and
- Safe use and handling of pesticides.

The team also worked with five horticulture grower groups in Huehuetenango to raise awareness about the Project. Board members, managers, leadership and members participated in the activities as a means to reach agreements and commitments to expand participation and improve Project implementation and sustainability.

In addition, the Project made efforts to become familiar with the productive status of each of the RVCP grower groups. To that end, technicians used information collected during field visits to create a data base. The data base is approximately 80% complete.

The team worked with three grower groups currently exporting their crops to improve negotiation processes. The groups are marketing their produce through three agribusiness companies (Agro San Juan, Grupo Seis and SIESA).

The Project provided support to 12 RVCP grower groups to organize their annual general assemblies, publish their annual reports, work plans and budgets, while also working with their accounting staff to prepare financial statements.

Technicians launched training programs for recently elected board members on their specific roles and responsibilities.

The Project worked with three RVCP grower groups on managing and tracking their land lease programs, have obtained soft loans (0% interest rate) for 97 producers, as follows:

- Approved credit: GTQ 203,700.00
- Approved grants: GTQ46,075.00
(equivalent to GTQ2,100.00 in credit with a GTQ475.00 grant allotted for each beneficiary).

FEDECOAG is authorized by the Ministry of Agriculture to offer certified potato seed (pre-basic, basic, registered and certified).

A total of 31 members from *Cooperativa Nueva Esperanza* received Global Gap certification through ADISAGUA. The growers are now delivering certified snow peas to an export company (GRUPO SEIS) at higher prices per pound.

4.2.2 Component 2: Broadening Participation in Value Chains

- **FUNCAFE**

- **High School Pilot Program (students or graduates specialized in coffee or horticulture production)**

Given that the school has not developed a specific studies program on coffee production, the Board of Directors of the National Agriculture School (*Escuela Nacional Central de Agricultura* –ENCA in Spanish) published a notice in March indicating that it was not authorizing a specialized high school studies program on coffee production, but rather only a two-to-three year technical program. In response to ENCA’s decision, the National Coffee Production School in Las Nubes decided to continue with the high school studies program together with a certification program endorsed by MINEDUC and ANACAFE, respectively.

During the reporting period, FUNCAFE moved forward with the scholarship program for children of the members of RVCP organizations. A total of 14 students began their second year of studies and an additional ten students passed admission exams and were selected to enter their first year in the Las Nubes school. As a result, there are 24 students currently receiving RVCP scholarship support (see Table 1).

Under planned follow up activities, project technicians completed nine visits to the homes of RVCP scholarship students. The visits provided an opportunity to hear parents express their interest and motivation to continue to support their children’s studies together with their appreciation to the Project. RVCP technicians report that the scholarship students are motivated and actively participating in their field practice.

TABLE 1: RVCP SCHOLARSHIP STUDENTS

	STUDENT NAME	PLACE OF ORIGIN	PROVINCE	YEAR
1	Roclo del Alba Zaldana Aguilar	Aldea La Provincia Chiquita, San Pedro Sacatepequez	SAN MARCOS	first
2	Mirna Yanire Perez Hernandez	Colonia Legual, San Miguel Ixtahuacan, S.M.	SAN MARCOS	first
3	Usiel Benamar Gaspar Mazariegos	Caserlo La Plata, San Jose El Rodeo	SAN MARCOS	first
4	Dalila Albertina Lopez Ovalle	Caserlo 29 de abril, Tocache, San Pablo	SAN MARCOS	first
5	Darinel Waldemar Gonzalez Perez	Caserlo Shanshegual San Miguel Ixtahuacan	SAN MARCOS	first
6	Vilsan Eli Carreto Camposeco	Aldea Palln, Nuevo Progreso, San Marcos	SAN MARCOS	first
7	Gustavo Constantino Perez Mendez	Finca Canada, San Jose El Rodeo, San Marcos	SAN MARCOS	first
8	Francisco Javier Bartolon Ortiz	Finca Canada, San Jose El Rodeo, San Marcos	SAN MARCOS	first
9	Jonny Abelino Gabriel	San isidro La Democracia, Huehuetenango	HUEHUETENANGO	first
10	Carlos Enrique Lopez Lopez	Aldea Trapichillo, La Libertad, Huehuetenango	HUEHUETENANGO	first
11	Wilmar Osvely Ruiz Carrillo	Nuevo Eden, Nuevo Progreso	SAN MARCOS	second
12	Mynor Gudiel Cosh Ramlrez	Tajumulco	SAN MARCOS	second
13	Edgar Darlo Perez Mendez	Aldea Tojoj, San Pablo	SAN MARCOS	second

14	Vibaldo Rosmael Velasquez Lopez	Nueva Democracia, San Miguel Ixtahuacan	SAN MARCOS	second
15	Marvin Urbano Lopez Hernandez	Tajumulco	SAN MARCOS	second
16	Elvis Boris Velasquez Lopez	Nueva Democracia, San Miguel Ixtahuacan	SAN MARCOS	second
17	Rubelsy Alexander Sanchez Morales	Aldea Colmito, San Miguel Ixtahuacan	SAN MARCOS	second
18	Heraldo Mejla Diego	Comunidad Agraria La Suiza, Nuevo Progreso	SAN MARCOS	second
19	Angelica Marleny Velasquez Bautista	Aldea El Zapote, San Miguel Ixtahuacan	SAN MARCOS	second
20	Frankli Demencio Diaz Jimenez	La Igualdad, San Pablo	SAN MARCOS	second
21	Leodan Keme Lopez Miguel	La Igualdad, San Pablo	SAN MARCOS	second
22	Transito Ricardo Baerduo Morales	Nueva Escocia, Nuevo Progreso	SAN MARCOS	second
23	Sergio David Recinos Perez	Aldea Trapichillo, La Libertad	HUEHUETENANGO	second
24	Indrid Marisol Escalante Velasquez	Aldea Santo Domingo Huica, La Libertad	HUEHUETENANGO	second

Key:

	First Year Students in 2014
	Returning Second Year Students 2013-2014

▪ **ANACAFE (Coffee Value Chain)**

- **Access to Credit (triangulating among producers and companies, lenders and buyers)**
RVCP technicians in Huehuetenango supported coffee producers in submitting loan applications, more specifically, to apply for funds from the Trust Fund for the Guatemalan Coffee Sector. As a result, growers received funds in the amount of GTQ2,391,050.00, to benefit 95 small-scale coffee growers in renewing and maintaining their plantations or taking their coffee to market.
- **Partnering Producers with Savings and Loan Co-ops**
The RVCP technical team in Huehuetenango promoted operational partnerships, as follows: (1) an arrangement between a savings and loan co-op (*Cooperativa de Ahorro y Credito Esquipulas R.L.*) and ASDEFLOL to grant a loan in the amount of GTQ300,000.00, and (2) an arrangement between *Cooperativa de Ahorro y Credito Esquipulas R.L.* with two grower groups (ASODIET and ASDEFLOL) to export 210,000 pounds of parchment coffee.

A grower group in San Marcos (GAT Nuevo San Luis) partnered with municipal authorities in Nuevo Progreso and the Ministry of Education for the construction of a primary school.

The *Asociacion Campesina Unidos para la Paz y El Desarrollo Comunitario* (ACUPDIC) submitted an application to the National Literacy Committee (*Comite Nacional de Alfabetizacion* –CONALFA in Spanish) to teach 25 growers to read and write.

The Project provided assistance to *Asociacion Campesina Unidos Para la Paz y el Desarrollo Integral Comunitario* (ACUPDIC) to update their records at the National Land

Fund (*Fondo Nacional de Tierras*) (new members, departing members, socio-economic assessments, municipal certifications, etc.).

– **Women and Youth in Organizational Development and Management**

RVCP technicians in Huehuetenango provided assistance and training for three grower groups (*Cooperativa Esquipulas R.L., Asociacion Union de Pequeños Caficultores* and *Asociacion de Desarrollo Integral el Pajal*) on equitable participation, attitudes and leadership. As a result of Project interventions, more women and youth are participating in decision making, taking up board positions and assuming management responsibilities.

– **New Members as Project Beneficiaries**

Over the January through March 2014 reporting period, RVCP broadened coverage in Huehuetenango to include seven addition GAT groups and three producer associations for a total of 262 new Project beneficiaries (221 men and 41 women).

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Leverage Funds to Finance Land Investment**

Cooperativa Tajumulco worked with the community to finance a portion of the costs to build a community soccer field. The co-op contributed GTQ40,000.00.

– **High School Pilot Program (students or graduates specialized in coffee or horticulture production)**

- a. The Project working with FUNCAFE to fund scholarships for four students from San Marcos.
- b. The Project is assisting 13 students from Huehuetenango enrolled at Rafael Landivar University for an associate degree in co-op and association management.

– **Women and Youth in Organizational Development and Management**

Project activities this quarter resulted in an increased number of women being elected to board positions, as summarized below.

	Co-operative	Women Board Members
1	El Porvenir	3
2	La Esperansita	1
3	Tajumulco	2
4	San Jose El Obrero	3
5	21 de Octubre	2
	TOTAL	11 women joined boards

Source: RVCP data provided by organizations.

- **Engage and Cooperate with Municipal Governments/Municipal and Community Development Councils (COMUDEs and COCODEs, respectively)**
 - a. As a result of *Cooperativa El Porvenir's* initiative to pave a street in San Marcos Huista, the local government was encouraged to expand the pavement project at their expense.
 - b. *Cooperativa Tajumulco* contributed GTQ8,000.00 to their local government for highway repairs..
 - c. *Cooperativa Todosanterita* worked with their community to repair bridges and roads in the area.
 - d. *Cooperativa San Jose el Obrero* worked through the COCODE and local government to build a school for 45 children from La Montana.
 - e. Five co-op members in San Marcos are currently on the COCODEs in their respective communities. RVCP technicians trained them on citizen participation in municipal administration and other relevant issues.
 - f. Three members from *Cooperativa Cocolense* joined their local COCODE.
 - g. Four members from *Cooperativa Nueva Providencia* joined their local COCODE.
 - h. Two members of *Maxba* group joined their local COCODE.
 - i. A member from *Cooperativa Nueva Union* joined the local COCODE.

- **New Members as Project Beneficiaries**

A total of 39 men and 9 women became members of RVCP grower groups.

- **FEDECOAG (Horticulture Value Chain)**

- **Access to Credit (triangulating among producers and companies, lenders and buyers)**

The Project worked with three grower groups to file 97 loan applications for the land-lease program. As a result, growers received loans in the amount of GTQ203,700.00 at 0%

interest for the first year plus a subsidy of GTQ 46,075.00. This is the equivalent of GTQ2,100.00 per person with a subsidy for each of GTQ475.00.

– **Partnering Producers with Savings and Loan Co-ops**

Given that grower groups have sufficient capital, the Project found no need this quarter to assist RVCP grower groups in seeking external credit. Nevertheless, most of the need for external financing begins in April at the onset of the rainy season.

– **Credit Rating**

Growers have maintained a good credit rating, thereby ensuring access to future loans.

- **Women and Youth in Organizational Development and Management**

As a result of RVCP training interventions on leadership and equitable participation in the grower organizations, a total of 43 women have taken up board or committee positions.

The following table summarizes the membership distribution in RVCP horticulture production groups.

	Organization	Board of Committee Members		
		Men	Women	Total
1	<i>Cooperativa Cuchumatanes</i>	10	5	15
2	<i>Cooperativa La Nueva Esperanza</i>	15	5	20
3	<i>Cooperativa San Bartolo</i>	12	5	17
4	<i>Cooperativa Joya Hermosa</i>	9	7	16
5	<i>Asociacion ADAT</i>	8	5	13
6	<i>Asociacion El Esfuerzo</i>	6	1	7
7	<i>Cooperativa San Pedro Unido</i>	8	6	14
8	<i>Asociacion ADIS</i>	9	3	12
9	<i>Cooperativa 10 de Abril</i>	11	3	14
10	<i>Cooperativa El Paralso</i>	11	3	14
	Totals	99	43	142

New Members as Project Beneficiaries

RVCP expanded coverage this quarter to include 456 new members (409 men and 47 women) joining two co-ops and two associations.

4.2.3 Component 3: Improved Agricultural Productivity

▪ ANACAFE (Coffee Value Chain)

- Project technicians designed 32 crop management plans specifically to address productive tissue, seedlings and nurseries, integrated pest management, disease and fertilization for the following organizations: *Empresa Campesina Asociativa (ECA) Emanuel, ECA Nueva Escocia, Cooperativa Nuevo Porvenir, Cooperativa Nuevo Eden, Asociacion de Campesinos Unidos por la Paz y Desarrollo Comunitario (ACUPDIC), GAT Nuevo San Luis, GAT El Cafetalito, Asociacion de Pequeños Caficultores Organicos Mayas-Mames (APECAFOM), Asociacion Flor del Cafe, Asociacion Civil de Pequeños Productores de Cafe “liberacion” (APECAFEL), Cooperativa Entre Rios, Asociacion Civil de Pequeños Caficultores de Comunidades Unidas (ACIPACU), Cooperativa La Igualdad, Asociacion Media Cuesta, Asociacion Nuevos Horizontes, Asociacion de Desarrollo Integral Buenos Aires (ADIBA) , GAT La Pena and GAT Legal.*
- The Project provided assistance to produce 253,000 coffee plants grafted with disease resistant varieties for the following organizations: *ECA Emanuel, ECA Nueva Escocia, Cooperativa Nuevo Porvenir, Cooperativa nuevo Eden, ACUPDIC and GAT Nuevo San Luis.*
- RVCP technicians worked with growers from the following organizations to renew 178 hectares of coffee plantations using productive tissue management techniques (selective and compacted pruning): *ECA Emanuel, ECA Nueva Escocia, Cooperativa Nuevo Porvenir, Cooperativa Nuevo Eden, ACUPDIC, GAT Nuevo San Luis, GAT El Cafetalito, APPAECE, APECAFOM, Asociacion Flor del Cafe, APECAFEL, Cooperativa Entre Rios, ACIPACU, Cooperativa La Igualdad, Asociacion Media Cuesta, Asociacion Nuevos Horizontes and Asociacion ADIBA.*
- The Project worked with grower groups on 175 hectares of coffee plantations to implement pest control methods against coffee borer disease for the following organizations: *APECAFOM, Flor del Cafe, APECAFEL, Cooperativa Entre Rios, ACIPACU, Cooperativa La Igualdad, Asociacion Media Cuesta, Asociacion Nuevos Horizontes and Asociacion ADIBA.* The methods include setting eco-friendly traps (17 per hectare) to curb the disease without harming the environment while significantly reducing the need for chemical insecticides.

▪ FEDECOCAGUA (Coffee Value Chain)

- **Producers Invest in Plantation Renewal**
 - a. Producers worked this quarter to renew their plantations as follows:
 - *Cooperativa Cocolense: 1.5 hectares for a total investment of GTQ52,500.00;*

- *Cooperativa Nueva Union*: 8 hectares for a total investment of GTQ 280,000.00;
- *Cooperativa San Jose Maxbal*: 0.5 hectares for a total investment of GTQ 17,500.00;
- *Cooperativa Chojzunil*: 2 hectares for a total investment of GTQ70,000.00;
- *Cooperativa Union Coataneca*: 1 hectare for a total investment of GTQ35,000.00.

b. Total plantation renewal amounted to 420 hectares belonging to 278 members of cooperatives in San Marcos harvesting their coffee in December 2013.

– **Technical Assistance on Good Agricultural Practices (GAPs):**

FEDECOCAGUA technicians worked comprehensively with 2,750 producers (449 women and 2,301 men) from 28 RVCP grower groups in San Marcos and Huehuetenango to prioritize coffee certification activities for 18 cooperatives as summarized below.

COMPLIANCE WITH CERTIFICATION CRITERIA

FY2014 Q2

	<i>Organization</i>	<i>FLO</i>	<i>Utz Certified</i>	<i>C.A.F.E Practices</i>	<i>Rainforest Alliance</i>	<i>Organic</i>
1	<i>Cooperativa Agrícola Integral Pena Roja, R. L.</i>					
2	<i>Cooperativa Agrícola Integral Tajumulco, R. L.</i>					
3	<i>Cooperativa Agrícola integral Todosantera, R. L.</i>					
4	<i>Cooperativa Integral Agrícola El Porvenir, R. L.</i>					
5	<i>Cooperativa Agrícola Integral Nuestro Futuro, R. L.</i>					
6	<i>Cooperativa Agrícola Integral San Jose El Obrero, R. L.</i>					
7	<i>Cooperativa Agrícola Integral Hoja Blanca, R. L.</i>					
8	<i>Cooperativa Agrícola Integral Rlo Limon, R. L.</i>					
9	<i>Cooperativa Agrícola Integral Chojzunil, R. L.</i>					
10	<i>Cooperativa Integral Agrícola La Bendicion, R. L.</i>					
11	<i>Cooperativa Integral Agrícola San Pablo, R. L.</i>					
12	<i>Cooperativa Integral Agrícola 21 de Octubre, R. L.</i>					
13	<i>Cooperativa Integral Agrícola Comunidades Unidas, R. L.</i>					
14	<i>Cooperativa de Ahorro y Credito Integral Coatan R. L.</i>					
15	<i>Cooperativa Esperancita</i>					

16	<i>Cooperativa Cocolense</i>					
17	<i>Cooperativa San Jose Quixabaj</i>					
18	<i>Cooperativa San Jose Mashbal</i>					

Source: FEDECOCAGUA, Division for Technical Assistance and Sustainability

Grower groups in Cuilco, Huehuetenango and in San Jose del Rodeo, San Marcos worked this quarter to begin the fair trade certification process.

GAP technical assistance can be summarized as follows:

- a. Work with all 28 of the RVCP grower groups in San Marcos and Huehuetenango to monitor 214,700 seedlings that are a coffee rust disease-resistant variety until they are ready for transplanting next quarter.
- b. Soil sampling: obtained 120 soil samples for analysis prior to fertilization. Of these, members took 80 samples from *Cooperativa El Porvenir*, 20 by the grower group in San Andres plus another 20 by the group in Rlo Limon.
- c. Measures to control coffee rust disease over a total of 963.60 hectares.
- d. FEDECOCAGUA made a third delivery of supplies to curb the spread of coffee rust disease in Huehuetenango and San Marcos, as follows:

Quantity (in liters)	Product	Total Value
1,609	Peptiram	GTQ 581,523.30
1,495	Enlasador	
579	Trilogy	
964	SURFAC	

– **Climate Change Adaptation (living barriers, terracing, crating, infiltration systems, ditches, etc.)**

- a. RVCP technicians promoted soil conservation measures including shade and tissue management over a total of 489 hectares, of which 420 hectares are located in San Marcos and 69 are in Huehuetenango.

- b. A total of 149.12 hectares are being managed under soil conservation techniques.
- c. The Project provided assistance to build 96 holding tanks for waste water treatment at manually-operated wet mill facilities.
- d. This quarter, the Project promoted the use of plant varieties resistant to coffee rust disease (Sarchimor) (190,000 seedlings).
- e. The Project provided assistance to build ten septic tanks.
- f. The Project worked with grower groups to approve environmental policies during their general assembly meetings (five organic production groups and two non-organic grower groups in San Marcos). Four of these groups approved updates to their regulations on organic coffee production.
- g. RVCP technicians worked with groups to implement contour planting over 35.53 hectares in San Marcos.

- **FEDECOAG (Horticulture Value Chain)**

- **Greenhouses**

Fifteen registered potato seed producers are producing 1.50 hectares of seeds under controlled macro-tunnel greenhouse conditions. The system allowed for successful production of 95,000 pounds of registered potato seed, 30,000 pounds of which sold at about GTQ2.50/lb. for a total of GTQ75,000.00.

In order to diversify from traditional crops and apply new technologies, the Project provided assistance to set up 144 macro-tunnel greenhouses with drip irrigation systems for 11 grower groups in San Marcos and Huehuetenango. Producers plan to grow potatoes, tomatoes, cucumbers and bell peppers.

These measures allow producers to grow crops year around, improve quality, lower production costs and seek more favorable market prices.

4.2.4 Component 4: Increased Trade and Expanded Markets (Private Consolidator)

This Component was eliminated from the original proposal and is not covered by RVCP/ ANACAFE-CONFECOOP-FUNCAFE-FUNDASISTEMAS Consortium activities.

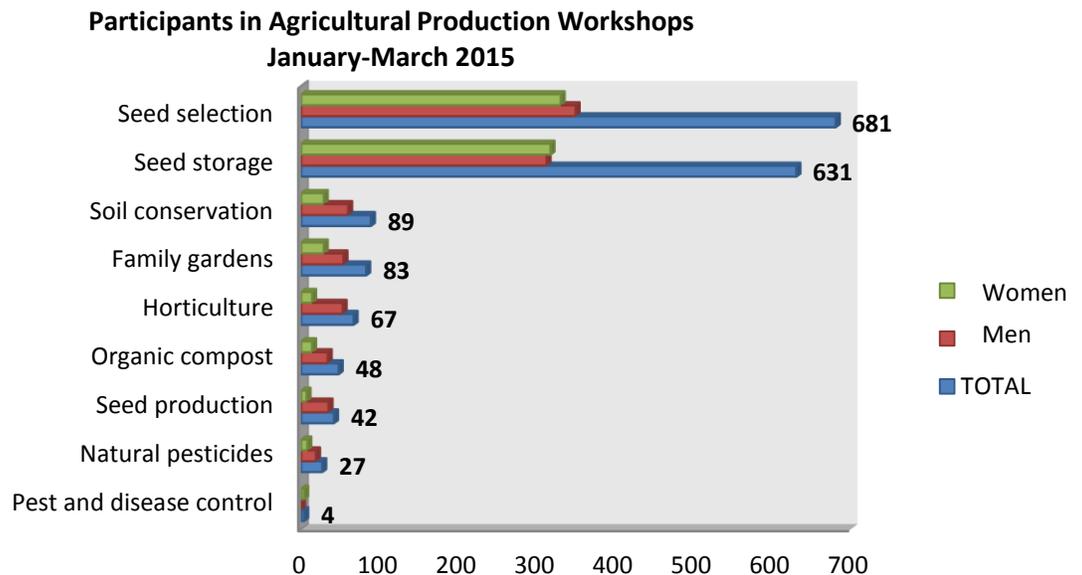
4.2.5 Component 5: Increase Food Production and Improve Food Use

- **Family Garden Plots**

Over the reporting period, the Project identified 402 families to participate in the food and nutritional security component. The group includes a total of 159 families of artisans, 12 families of horticulture producers and 231 families of coffee growers. The new families are participating in RVCP training events prior to preparing their garden plots.

In addition, the Project has 1,298 families that have already established their gardens and have harvested at least two horticulture crops for their own use. Furthermore, the families are using drip irrigation systems for their produce. FUNCAFE technicians provided follow up and monitoring to confirm that 80% of the families have actively-producing gardens while the remaining 20% are in the process of preparations for re-planting.

The Project reports that most of the individuals working in agriculture production over the current reporting period are men (55%), while women account for 45% (see Graph 1). Project technicians redoubled efforts this quarter to focus on selecting and producing seed, together with techniques for appropriate seed and grain storage. In addition, the team worked with the families just entering the program.



GRAPH 1: Participants in Workshops on Family Garden Plots

- **School Gardens**

As described last quarter, the Project worked this period to re-activate school gardens in 50 RVCP schools. A total of 2,977 students are participating in the workshops and also implementing food and nutritional security practices (equivalent to 45% of the student body in RVCP schools).

Project technicians equipped each of the school gardens with irrigation systems and seeds while also providing training on food and nutritional security issues together with soil conservation.

Furthermore, the Project provided each school with a water filter to ensure students have access to safe water.

Table 2: RVCP Schools by Municipality

LOCATION	Number of Schools
Huehuetenango	22
Jacaltenango	5
La Democracia	2
La Libertad	6
San Antonio H	3
Todos Santos	1
Union Cantinil	5
San Marcos	28
El Rodeo	2
San Marcos cabecera	1
San Miguel Ixtahuacan	19
San Pablo	5
San Rafael	1
Total	50

- **Improved Production and Post Harvest Management**

The Project worked this quarter to provide technical assistance and training for more than 600 families. FUNCAFE technicians strengthened capacity on selecting and producing seeds together with appropriate storage techniques for seeds and basic grains (best practices).

- **Training Primary School Teachers on Health and Nutrition**

Over the reporting period, the Project welcomed 170 teachers to training programs on health and nutrition. Their participation represents 48% of all teachers at RVCP schools. Teachers participated enthusiastically and benefitted from additional learning to increase reading comprehension capacity while also implementing reading and writing evaluation techniques in 22 schools in Huehuetenango. Table 3 summarizes participation by students and teachers in this component on school gardens and food and nutritional security.

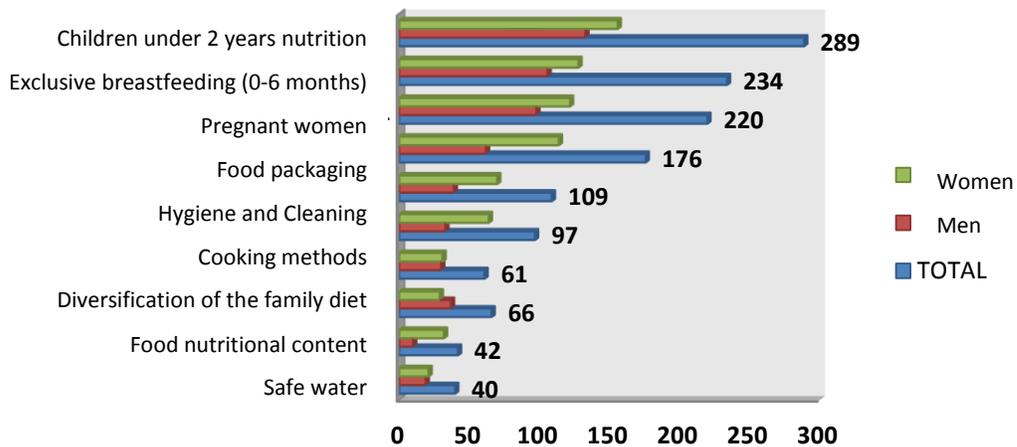
Table 3: Schools, Teachers and Students under Food and Nutritional Security Component

	Departamento	Municipios	Comunidades EORM	No. Total de Docentes	No. De Docentes que participan	No. Total de Alumnos	No. De Alumnos que participan
1	Huehuetenango	La Libertad	La Cipresada	5	5	131	131
2	Huehuetenango	La Libertad	Huicá	17	3	349	50
3	Huehuetenango	La Libertad	Palmira Vieja	5	5	111	111
4	Huehuetenango	La Libertad	El Aguacatillo	6	6	123	123
5	Huehuetenango	La Libertad	La Montaña	11	3	nd	nd
6	Huehuetenango	La Libertad	El Sauce	4	4	nd	nd
7	Huehuetenango	Jacaltenango	Culuz Sajilaj	7	3	139	35
8	Huehuetenango	Jacaltenango	Kajxik'omá	3	1	46	20
9	Huehuetenango	Jacaltenango	Buena Vista	14	2	nd	nd
10	Huehuetenango	Jacaltenango	San Felipe San Andrés H	22	3	558	102
11	Huehuetenango	Jacaltenango	San Andrés H	23	2	615	25
12	Huehuetenango	La Democracia	San Isidro	14	2	322	100
13	Huehuetenango	La Democracia	El Pinal	6	6	200	130
14	Huehuetenango	Todos Santos	Tuiboch	5	5	130	60
15	Huehuetenango	San Antonio H	Rancho Viejo	10	3	159	80
16	Huehuetenango	San Antonio H	La Estancia Rancho Viejo	3	3	35	35
17	Huehuetenango	San Antonio H	El Pajal	11	3	273	125
18	Huehuetenango	Union Cantinil	Buenos Aires	8	8	113	50
19	Huehuetenango	Union Cantinil	Villa Nueva	2	2	46	46
20	Huehuetenango	Union Cantinil	Villa Linda	5	5	199	80
21	Huehuetenango	Union Cantinil	La Esperanza 1	6	6	85	85
22	Huehuetenango	Union Cantinil	La Esperanza 2	3	2	158	70
23	San Marcos	San Miguel Ixtahuacán	Alen	3	3	73	73
24	San Marcos	San Miguel Ixtahuacán	Shanshegual	6	6	145	145
25	San Marcos	San Miguel Ixtahuacán	Shanshegual Telesecundaria	2	2	nd	nd
26	San Marcos	San Miguel Ixtahuacán	La Lima Instituto Básico	1	1	nd	nd
27	San Marcos	San Miguel Ixtahuacán	La Lima	3	3	66	66
28	San Marcos	San Miguel Ixtahuacán	Arenal	4	4	79	79
29	San Marcos	San Miguel Ixtahuacán	El Zapote	8	8	201	201
30	San Marcos	San Miguel Ixtahuacán	Tierra Blanca	3	3	71	71
31	San Marcos	San Miguel Ixtahuacán	La Unión	3	3	105	105
32	San Marcos	San Miguel Ixtahuacán	La Peña	3	3	90	90
33	San Marcos	San Miguel Ixtahuacán	Sacpic	2	2	70	70
34	San Marcos	San Miguel Ixtahuacán	Siete Platos	7	7	150	150
35	San Marcos	San Miguel Ixtahuacán	San José Ixcaniche	7	7	203	203
36	San Marcos	San Miguel Ixtahuacán	San Jose Nueva Esperanza	3	3	124	124
37	San Marcos	San Miguel Ixtahuacán	Cabecera	10	3	366	nd
38	San Marcos	San Miguel Ixtahuacán	Legual	7	0	124	nd
39	San Marcos	San Miguel Ixtahuacán	Chisnan	4	4	nd	nd
40	San Marcos	San Miguel Ixtahuacán	Salitre	10	2	nd	nd
41	San Marcos	San Miguel Ixtahuacán	La Estancia Telesecundaria	2	2	302	nd
42	San Marcos	San Pablo	Nuevo San Carlos	15	2	110	nd
43	San Marcos	San Pablo	El Matazano	12	2	220	nd
44	San Marcos	San Pablo	Tojoj	7	4	200	40
45	San Marcos	San Pablo	Zelandia	10	2	nd	nd
46	San Marcos	San Pablo	Tocache	12	3	nd	nd
47	San Marcos	El Rodeo	La Esperanza	4	4	102	102
48	San Marcos	El Rodeo	Venezuela	2	0	48	nd
49	San Marcos	San Rafael	El Naranjo	9	2	80	nd
50	San Marcos	San Marcos cabecera	Instituto Nacional de Educación Básica	8	3	nd	nd
				357	170	6721	2977

- Health and Nutrition Training for RVCP Beneficiary Families (Coffee, Horticulture and Handicrafts)**
 FUNCAFE continued to make progress in providing training on health and nutrition this quarter with greater emphasis on nutrition for infants under the age of two, including exclusive breast feeding and nutrition for pregnant and lactating mothers. Graph 2 illustrates participation by subject. In contrast to the distribution by gender for training participants on agricultural issues, the participation of women increased to 56.5% while men represented 43.5% of the participants.

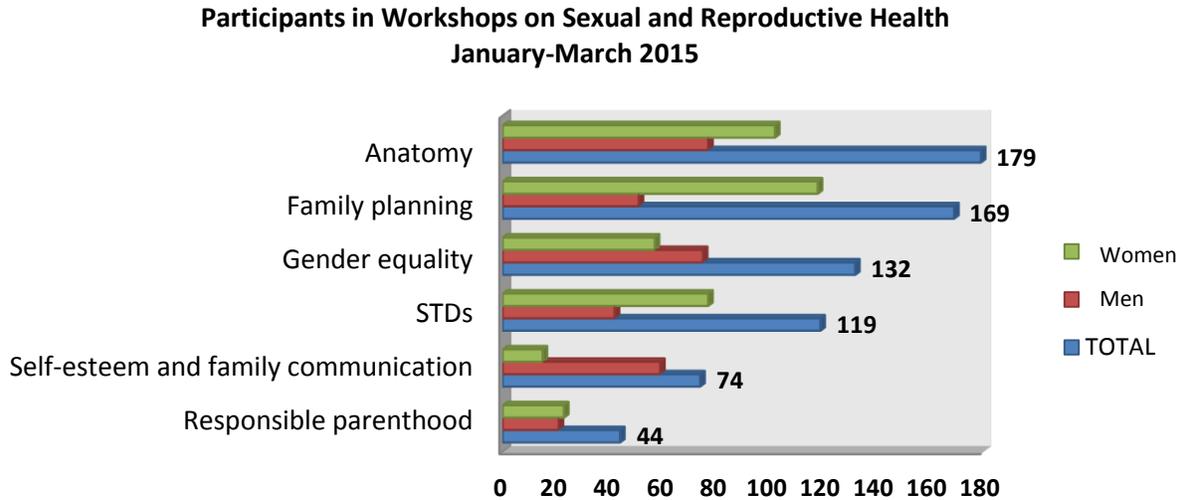
Graph 2: Participants in Training on Food and Nutritional Security

**Participants on Food and Nutritional Security Issues
January-March 2015**



Graph 3: Training Participants on Sexual and Reproductive Health

The Project organized workshops this quarter on sexual and reproductive health, including issues such as human anatomy, family planning methods, gender equality and sexually transmitted diseases. The following graph summarizes participation this quarter.



▪ **Water Purification Methods**

This quarter, the Project distributed a total of 132 water filters (see Table 4) to families and schools in the RVCP target area. In addition, technicians monitored and followed up with the 1,000 families that already possess a water filter and confirmed that at least 93% of the families are making appropriate use of the device to drink safe water. The remaining 7% required additional awareness training and support. FUNCAFE continued efforts to raise awareness and work with those families and expects to see that a higher percentage of the families will be using the filters correctly.

Any family receiving a water filter must have participated in training on safe water and purification methods, as well as on hygiene and cleanliness.

Table 4: Water Filter Distribution by Municipality

PROVINCE	MUNICIPALITY	FILTERS
San Marcos	San Miguel Ixtahuacan	34
	San Marcos: Aldea San Sebastian	72
Huehuetenango	Jacaltenango	12
	La libertad	14
TOTAL		132

- **Fuel wood Efficient Stoves for Schools and Residences**

Over the reporting period, RVCP technicians identified 526 families that meet the criteria for a fuel wood efficient stove. FUNCAFE conducted residential site visits to select each of the families.

Of these, 126 are with a coffee grower group (*Asociacion de Caficultores Miguelenses –ACMI*) that voluntarily opted to make a financial contribution to acquire the stoves (GTQ400 per family). Their contributions allow the Project to increase the number of families that can acquire clean stoves. The remaining 400 families are from the coffee and horticulture producers in Huehuetenango and San Marcos (see Table 5). Project staff is currently procuring the stoves and plans to distribute them next quarter.

Table 5: Stove Distribution by Municipality

LOCATION	FAMILY STOVES	SCHOOL STOVES	TOTALS
Huehuetenango	252		
Jacaltenango	48	5	53
La Democracia	10	4	14
La Libertad	101	4	105
San Antonio Huista	25	3	28
Todos Santos			
Cuchumatanes	55		55
Union Cantinil	13	6	19
Total in Huehuetenango	252	22	274
San Marcos	FAMILY STOVES	SCHOOL STOVES	TOTALS
San Pablo		10	10
San Miguel Ixtahuacan	126	12	138
San Marcos	62		62
to be determined	42		42
Total in San Marcos	230	22	252
		GRAND TOTAL	526

- **Health and Nutrition Follow Up**

FUNCAFE is working very closely with local health authorities and is also coordinating efforts with partners working on preventing chronic and acute malnutrition.

Technicians selected a community (El Zapote) in the vicinity of San Miguel Ixtahuacan in San Marcos to conduct a pilot effort. This quarter, Project technicians completed the diagnostic assessment to find that 46% of the children suffered from chronic malnutrition and 7% of the children were in a state of acute malnutrition. These rates are relatively high compared to national averages, especially in the case of acute malnutrition.

The nutritional evaluations provided an opportunity to offer 100% of children under five complimentary meals and vitamin supplements. A total of 88 children are benefitting from the pilot. Annex 3 summarizes the results of the diagnostic assessment.

FUNCAFE led the effort to conduct the diagnostic in El Zapote and acknowledges the contribution of technical personnel from SESAN, the Ministry of Health and municipal authorities from San Miguel Ixtahuacan. Their contributions were indispensable to the effort and were augmented by additional support from COCOSAN to engage the participants and obtain their cooperation.

RVCP staff distributed the findings among local health authorities and the COMUSAN in San Miguel Ixtahuacan. Project technicians are also considering distributing the findings among community members in El Zapote.

- **Community Outreach and Communication**

Project technicians participated in a coffee agricultural expo for ANACAFE Region 1 attended by about 1,400 individuals. The expo provided an opportunity to share RVCP activities on health and nutrition as implemented by FUNCAFE. The expo also provided an opportunity to showcase family and school gardens, share educational material, inform on safe water and promote the high school studies program specializing in coffee production. Not only did the expo allow for promoting information on health and nutrition, but activities commemorated National Water Day so FUNCAFE set up an exhibit to promote safe water.

4.2.6 Component 6: Improvements to the Handicrafts Value Chain

- **Production**

Project specialists worked with artisans to develop a handbag using raw material procured in Txe-joj, San Sebastian Huehuetenango at a cost of GTQ75.00. The samples have been approved, ready for continuous production. Project technicians wrote up the technical specifications for quality control toward the end of the quarter.



Market studies revealed that eight products manufactured by four different groups are in demand. The producer groups come from Cuilco, Canala, Concepcion Huista, Petatan and Cabll and San Jose Ixcunen, La Democracia.



The Project also evaluated market trends in textiles (sheers, crochet) using basic geometric figures (squares, circles, triangles and stripes). The colors for the 2014 season are in the pastel range and ARTEXCO will use this information to work with RVCP artisans.

Technical personnel planned a field visit this quarter to Txe-joj in search of raw material (wool) required by one of the handicraft cooperatives to manufacture rugs and ponchos. In addition, RVCP technicians are seeking out other artisans in the area that might join the co-op.

– **Technical and Financial Assistance**

ARTEXCO worked this period on implementing a tax awareness plan. Technicians provided assistance to see at least one member of each of the 17 producer groups register as a taxpayer thereby enabling the group to have the legal status to sell samples and, eventually, their product lines.

Technicians worked in Huehuetenango with the communities listed below and the respective number of producers:

- a) Jacaltenango, eight producers;
- b) La Democracia, in the vicinity of Nuevo San Rafael with four producers and in San Jose Ixcunen with five producers;
- c) Cuilco, with seven producers;
- d) San Sebastian with 34 producers;
- e) Concepcion Huista, in the vicinity of Canala with six producers, Secheu with nine producers and Patatan with another nine producers;
- f) Todos Santos Cuchumatanes, in the vicinity of El Pajon with eight producers, Los Pablo with 12 producers and in Tzipoclaj with another five producers.

As a result of these efforts, technicians trained a total of 107 individuals on financial, legal and fiscal issues and raised awareness to the point that at least one individual from each of the producer

groups registered as a taxpayer and provided the means for the group to legally sell their samples and eventually take their products to market.



Artisans in Txejoj, San Sebastian H. Huehuetenango

Access to Credit (triangulating among producers and companies, lenders and buyers)

One of the aspects of ARTEXCO's commitment and assistance to handicraft producers included engaging with a U.S.-based NGO (OxFam) through their local WISE program to expand coverage to include female artisans from Cuilco and La Democracia. To this end, Project staff provided assistance so that each woman could complete her application. By participating through the WISE project, female artisans increase their ability to access credit through OxFam.

New Members as Project Beneficiaries

ARTEXCO had 202 members located in the RVCP priority areas and has increased its rolls to a total of 1,027. Of these, 600 are located within RVCP target areas and will benefit from Project activities.

Furthermore, ARTEXCO worked this period to locate additional artisans in the vicinity of San Lorenzo, San Marcos to increase the impact of Feed the Future initiatives in that area. As a result of the expansion, Project technicians are vetting a group of 40 female artisans for participation in the Project.

– Production Assessments

ARTEXCO proceeded to complete an assessment of the handicraft value chain with special emphasis on production and marketing. To that end, technicians completed a diagnostic assessment of 16 groups.

The findings included data on labor costs, raw material, production times, access to supplies, sale prices, type of material and required tools.

– **Market Studies**

Project technicians worked with eight of the 17 ARTEXCO groups to conduct a survey. The results revealed the current status regarding obstacles to taking their products to market. Of the eight groups surveyed, 95% of the respondents (180 individuals) indicated they lacked information on the costs that go into producing their handicrafts. As a result, they struggle to determine what is profitable or not. Artisans are using entirely empirical methods to set their sales prices and have little certainty about what makes their production profitable.

Findings from the diagnostic revealed the following:

- a) total cost per artisan: GTQ. 285.63 * 189 artisans = GTQ. 53,984.07 in current costs;
- b) total sales per artisan: GTQ. 677.14 * 189 artisans = GTQ. 127,980.00 in total sales;
- c) sale revenue of GTQ. 677.14 – unit cost of GTQ. 285.63 = GTQ391.51 in net profit;
- d) total production volume equals 390 units (produced by 189 artisans).

Despite the diagnostic findings, technicians report that the above data was provided by each of the artisans and, again, is entirely subjective and lacking in systematic documentation. As a result, actual costs and sales revenue remains difficult to confirm. Furthermore, the data does not seem consistent with that for similar products on the market thereby limiting future market opportunities.

The following table summarizes data on supplies and tools being used by the artisans. The table also illustrates the lengthy production times further adding to higher costs.

The artisans manufacture most of their tools themselves, again constraining the products they can develop and adding to their production times.

Most of the raw material is common to all eight production groups; the material is expensive and not necessarily the most appropriate. The artisans frequently have to travel some distance to procure the material, further adding to already high production costs.

RVCP Market Studies					
Raw Material, Tools and Production Times					

	Community	Municipality	Raw Material	Tools	Average Production Period
1	<i>Chequequix</i>	<i>San Sebastian</i>	German thread and/or <i>Sedalina</i>	Back strap loom	11.5 days
2	<i>Sujal</i>	<i>San Sebastian</i>	German thread and/or <i>Sedalina</i>	Back strap loom	11.5 days
3	<i>Chexap</i>	<i>San Sebastian</i>	German thread and/or <i>Sedalina</i>	Back strap loom/foot loom	11.5 days
4	<i>Txejoj</i>	<i>San Sebastian</i>	German thread and/or <i>Sedalina</i>	Back strap loom	11.5 days

5	Los Pablos	Todos Santos	Wool and/or Sedalina	Back strap loom	83.5 days
6	Tziplocaj	Todos Santos	Wool and/or Sedalina	Back strap loom	83.5 days
7	Pajon	Todos Santos	Wool and/or Sedalina	Back strap loom	83.5 days
8	Chalhuitz	Todos Santos	Wool and/or Sedalina	Back strap loom	83.5 days

– **Diagnostic Assessment for Current and Future Handicraft Co-ops**

Given that only two production groups are officially organized, the Project proceeded this quarter to work with those two and complete diagnostic assessments for each (one on a co-op and one for an association). RVCP is working with a total of 17 handicraft producer groups; 15 in Huehuetenango and two in San Marcos. Project experts applied the SIDEM methodology for the diagnostics (in two phases; assessment and self-evaluation prior to preparing an assistance plan.

– **Diagnostics as the Basis for Entrepreneurial and Investment Plans**

Based on the findings from the diagnostics, ARTEXCO drafted two assistance plans for entrepreneurial development and investment. The plans will become the basis to increase and improve handicraft production within the RVCP target areas in a way that is more sure footed facing reduced management, commercial and productive risks.

– **Workshops**

ARTEXCO completed the first two workshops on new production techniques for artisans from *Cooperativa La Jacaltequita* in Jacaltenango, Huehuetenango. A total of 76 female artisans attended the workshop and learned how to manufacture placemats from cornhusks.

– **New Products**

In an effort to diversify the handicraft value chain, ARTEXCO developed five new production lines for products demanded by domestic and international markets. The products include corn husk placemats, bracelets, shawls, throws and purses in a variety of colors.

– **Markets**

The ARTEXCO Marketing Department launched a process to open new domestic markets (through retail chains such as CEMACO, Wal-Mart and Siman). Technicians are currently researching information to negotiate orders. The Marketing Department is completing management and financial analysis prior to launching the handicraft products into International markets. The Project expects to see this completed before the end of the calendar year.

– **Gender Considerations for Developing and Strengthening Management and Trade Skills**

ARTEXCO undertook the first cycle (A Chance to Dream) of the program entitled Step by Step with Artisans. RVCP producer groups were enthusiastic participants. The workshop laid out the entire process and included a number of presentations on self-esteem and production opportunities.

The second workshop will cover motivational issues and team work. Similarly, ARTEXCO is working on establishing temporary boards of directors or steering committees within the groups that are prepared to work in concert.

During the reporting period, ARTEXCO organized workshops for handicraft groups, as follows:

- January: three groups and a total of 75 participants;
- February: seven groups, one co-op and one association with a total of 256 participants, and
- March: 15 groups, one co-op and one association for a total of 560 participants.

4.3 Cross-cutting Issues

4.3.1 Gender

- FUNCAFE undertook efforts to raise awareness among females in RVCP organizations regarding health and nutrition. Results have been positive with increased participation by women in educational workshops on food and nutritional security, as well as on sexual and reproductive health. This quarter, women made up 57% of the participants in Project activities on nutrition and children's` health. Project activities focused on ways to improve household tasks and have a positive impact on the families' quality of life. The training workshops placed special emphasis on gender equality and shared household responsibilities.
- A total of 13 women from *Cooperativa Nuevo Eden R.L.* in San Marcos are currently in compliance with requirements, collateral and deadlines for loans to finance coffee production.
- A total of 26 women have been elected to management or board positions within four coffee producer groups in San Marcos i.e. *Cooperativa Integral Agrícola Nuevo Eden R.L.*, *Cooperativa Integral Agrícola Nuevo Porvenir R.L.*, *Empresa Campesina Asociativa Emanuel*, *Asociación de Caficultores Miguelenses (ACMI)* and *ADIBA*.
- This quarter, a total of five RVCP co-ops working under FEDECOCAGUA elected 11 women to board positions, as summarized below.

Co-op		Women in Board Positions
1	<i>El Porvenir</i>	3
2	<i>La Esperansita</i>	1
3	<i>Tajumulco</i>	2
4	<i>San Jose El Obrero</i>	3

5	21 de Octubre	2
	Total	11

Source: RVCP records

- Project staff drafted and approved RVCP and ANACAFE gender strategies.
- RVCP technicians designed and coordinated a certification course on improved productivity and competitive entrepreneurial quality. The course will be offered in Santa Cruz Barillas, Huehuetenango. In addition, technicians designed a certification course for facilitators to be offered in La Democracia, Huehuetenango.
- As summarized in the following table, the Project provided training activities for small-scale coffee producers in Huehuetenango encompassing a number of issues related to gender equality.

	Organization	Subject	Men	Women	TOTAL
1	<i>GAT Blanca Flor/Sta. Cruz Barillas</i>	“The Significance of Integrated Participation”	9	1	10
2	<i>GAT San Jorge/ Sta. Cruz Barillas</i>	“Leadership and Integrated Participation”	6	0	6
3	<i>ASOBAGRI/Sta. Cruz Barillas</i>	“Attitude and Leadership”	10	5	15
4	<i>GAT San Felipe/ Sta. Cruz Barillas.</i>	“The Significance of Integrated Participation”	3	17	20
TOTALS			28	23	51

- FEDECOAG institutional policies include cross-cutting gender considerations throughout each work component. As a result, the Project is encouraging gender equality and equal opportunities for both men and women in RVCP producer groups, as follows:
 - A total of 43 women have been elected to management or board positions in RVCP beneficiary organizations. The women have participated in training events to prepare them for decision making required by each of their positions.
 - In addition, 73 women from five RVCP producer groups received loans totaling GTQ1,284,204.00 under conditions identical to those offered to male borrowers. Funds are for horticulture production, thereby providing women with equal opportunities to generate revenue and support their families.
- ARTEXCO completed a diagnostic assessment on the needs of female artisans with findings regarding the need for assistance and production improvements. As a result of the findings,

the Project is developing a strategy on empowerment and broader participation for women (regardless, 95% of RVCP beneficiaries in the handicraft value chains are women). To that end, the program entitled “Step by Step with Artisans” focuses on workshops to raise self-esteem and motivate women artisans.

Over the quarter, ARTEXCO identified 15 women leaders to begin a training process based on the strategy described above.

4.3.2 Environmental Mitigation

- The family gardens being promoted by FUNCAFE include measures to mitigate any potential negative effects on the environment. Although the gardens were designed based on best practices for soil conservation, the Project is organizing special workshops to address any issues.

To that end, training covers natural methods for pest control including biological methods, manual techniques, natural repellants, deterrents or natural attraction and the use of natural pesticides as a last resort.

The Project introduced micro (low pressure) drip irrigation systems to make more efficient use of water resources and avoid erosion.

- Project technicians have continued to conduct monthly monitoring of weather conditions in San Miguel Ixtahuacan and San Cristobal Cucho, San Marcos. RVCP is gathering data from the weather station located in that area.
- The wet mill facilities operated by several groups in San Marcos e.g. *Asociacion Flor del Cafe*, *Cooperativa Integral Agrícola La Igualdad*, *Cooperativa Integral Agrícola Nuevo Eden* and *GAT Siete Platos* implemented a system to reuse water and treat waste water for more rational use. The approach avoids polluting watersheds in the area (producers are working on a total of 258.82 hectares).
- FEDECOCAGUA continued to promote the use of coffee plantation byproducts for composting (adding nutrients to the soil, improving soil structure and avoiding runoff).
- FEDECOCAGUA provided assistance to install five facilities for equipment maintenance and chemical storage at *Cooperativa El Porvenir*, *Cooperativa Rio Limon*, *Cooperativa La Esperancita*, *Cooperativa Tajumulco* and *Cooperativa San Jose el Obrero*. In addition, technicians set up collection points for empty pesticide containers.

- FEDECOCAGUA provided support to build 96 sedimentation tanks for wastewater from wet mill facilities in Huehuetenango. The Project also provided support to install ten septic systems in the area.
- ANACAFE technicians worked with RVCP producer groups using individual artisanal wet mills to ensure they appropriately handle waste water and coffee pulp (composting).
- RVCP technical personnel received training on the effects of climate change in general, and the effects on horticulture production in particular including water usage, watershed conservation, mitigation measures and reforestation.
- RVCP provided coffee producer organizations in Huehuetenango and San Marcos with assistance on composting to reduce the need for chemical fertilizers and pesticides by using more organic materials. To this end, the Project provided training on earthworm production and bocashi composting.
- ARTEXCO organized a number of activities to address issues in the handicraft value chain, in particular regarding the use of raw materials free of AZO contaminants:
 - contract a consultant to implement the environmental mitigation plan;
 - encourage artisans to relocate a thread dyeing facility from a private residence to a new industrial facility specifically designed and built for that purpose, and
 - review the mitigation plan to tailor the measures and apply them operationally to the thread dyeing process.

4.3.3 Entrepreneurial Development

- **SIDEM**
 - RVCP staff followed up on designing an online diagnostic tool. IT personnel uploaded the tool and tested online it to ensure that producer groups could track their progress following the initial diagnostic.
 - Project personnel completed the studies program to certify RVCP entrepreneurial development training for RVCP technicians and presented the program to ARTEXCO.
 - The Project finished systematizing and tailoring the SIDEM Governance Handbook to meet RVCP requirements.
- **SIDEM Implementation**
 - The Project completed 14 phase one diagnostics (online process and relationship mapping) together with phase two on the self-assessment exercise. Four producer groups working with ANACAFE Region V and ten organizations working with FEDECOCAGUA completed both phases.

- The Project worked with ANACAFE and ARTEXCO on providing follow up and tracking for the third phase of the diagnostic (Assistance Plan).
- Project technicians presented the findings from the diagnostic and the proposed assistance plan to *Cooperativa de Artesanos La Jacaltequita*.



FEDECOAG met with managers and board members to follow up on implementing SIDEM with producer groups, particularly in the case of phase one on GOVERNANCE (organizational diagnostic).

- **Digital Platform**
The Project wrote the terms of reference for FUNDASISTEMAS to proceed to hire a marketing specialist to design an electronic marketing platform for RVCP.
- **Investment Funds**

FUNDASISTEMAS continued efforts this quarter to research, manage and forge strategic partnerships to organize the proposed investment and impact expo that RVCP is planning for Year Two.

▪ **Promoting Deep Behavioral Change**

FUNDASISTEMAS completed the following activities:

- Five meetings among Consortium members and the RVCP UIP;
 - 20 online consulting sessions with the Sustainable Food Laboratory (SFL) to create strategies and engage with Consortium members, and
 - Nils Leporowski, ANACAFE President; Miguel Medina, Vice-President, ANACAFE; Lucrecia Rodriguez, Manager, ANACAFE and David Martinez, Director, FUNDASISTEMAS travelled to SFL in Vermont to exchange experiences on sustainable development based on systematic thinking. The visit also provided an opportunity to meet with business people that have ties to producer organizations using this approach.
- FEDECOCAGUA worked with the following producer groups to move forward with the diagnostics and self-assessments for SIDEM implementation.

1. <i>Nuestro Futuro</i>	10. <i>Chojzunil</i>
2. <i>Pena Roja</i>	11. <i>Union Coataneca</i>
3. <i>Hoja Blanca</i>	12. <i>San Pablo</i>
4. <i>Agua Dulce</i>	13. <i>Nuevo Progreso</i>
5. <i>Tiogal</i>	14. <i>Comunidades Unidas</i>
6. <i>Todosanterita</i>	15. <i>La Bendicion</i>
7. <i>Tajumulco</i>	16. <i>21 de Octubre</i>
8. <i>Nueva Union</i>	17. <i>Rivera del Cabuz</i>
9. <i>Cocolense</i>	

- FEDECOCAGUA worked with board members from *Cooperativa Rivera del Cabuz* to set up accounting records.
- FEDECOCAGUA worked with board members and employees from three co-ops on labor conditions and employment contracts in compliance with domestic legislation:
 - *Cooperativa El Porvenir*: six labor contracts
 - *Cooperativa Tajumulco*: seven labor contracts
 - *Cooperativa San Pedro Necta*: three labor contracts.
- The ANACAFE technical team in Huehuetenango provided 30 coffee producer groups with technical assistance and 270 field visits to conduct 17 SIDEM diagnostics then complete 30 assistance plans to improve entrepreneurship.

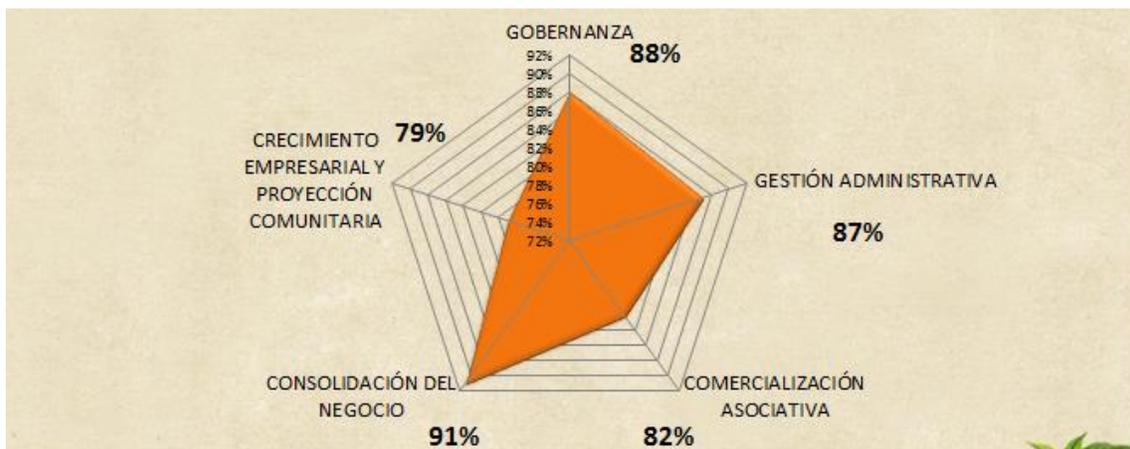
- The RVCP SIDEM process was instrumental in seeing *Cooperativa Integral Agrícola Nuevo Porvenir R.L.* in San Marcos hold its general assembly and approve marketing activities as planned.
- Marketing plans for macadamia nuts and other products sold by *Cooperativa Integral Agrícola Nuevo Eden R.L.* in San Marcos produced revenues of GTQ 12,000.00 this year and strengthened the organization's entrepreneurial development.
- RVCP technicians planned a number of activities to strengthen entrepreneurial capacity among coffee grower groups in Huehuetenango, as follows:
 - Preparing diagnostic assessments on entrepreneurial development to assess current status of target groups using SIDEM guidelines.
 - Plan and organize five annual general assemblies, as mandated by law.
 - Organize two general assemblies to approve organizational visions and missions.
 - Assist three producer groups (ASODIETT, ASDEFLOL and AIDEC) on requirements to register legal representatives.
 - Project technicians helped produce marketing policies and draft regulations on travel and per diem for a coffee grower group (ASODIETT).
 - RVCP staff helped draft two project proposals for two coffee organizations (AIDEC and *Cooperativa Esquipulas, R.L.*).
 - Technicians assisted two coffee producer groups (AIDEC and UPC) to file tax forms.
 - Two coffee grower groups (UPC and ASOPERC) filed required paperwork with the Ministry of Government.
 - The Project provided assistance to complete:
 - Balance statements: 7
 - Revenue statements: 7
 - Asset statements: 2
 - The Project worked with six coffee grower groups to prepare their financial statements for FY2013.
 - Technicians provided assistance to file seven 14-11 forms on tax revenue for FY2013.
 - RVCP helped five producer groups use the RETEN-ISR 2 online tool.
 - Project staff worked with one organization (UPC) to use the BancaSAT online tool.
 - Technicians helped three organizations (AIDEC, ASDEFLOL and ASODIETT) draft their annual reports and work plans.
 - Project staff provided two organizations with assistance to complete their FY2013 inventories.
 - The Project helped nine organizations update their accounting records.
 - Technicians helped one organization verify their annual tax returns.

As summarized below, the ANACAFE technical team in Huehuetenango worked this quarter to assess progress on SIDEM by 20 organizations.

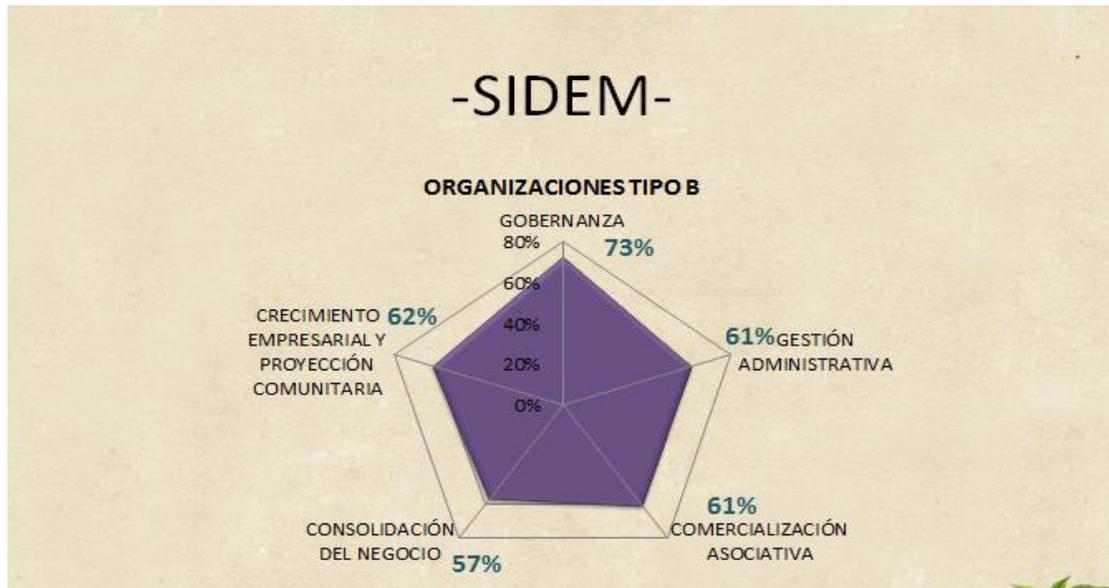
Classification



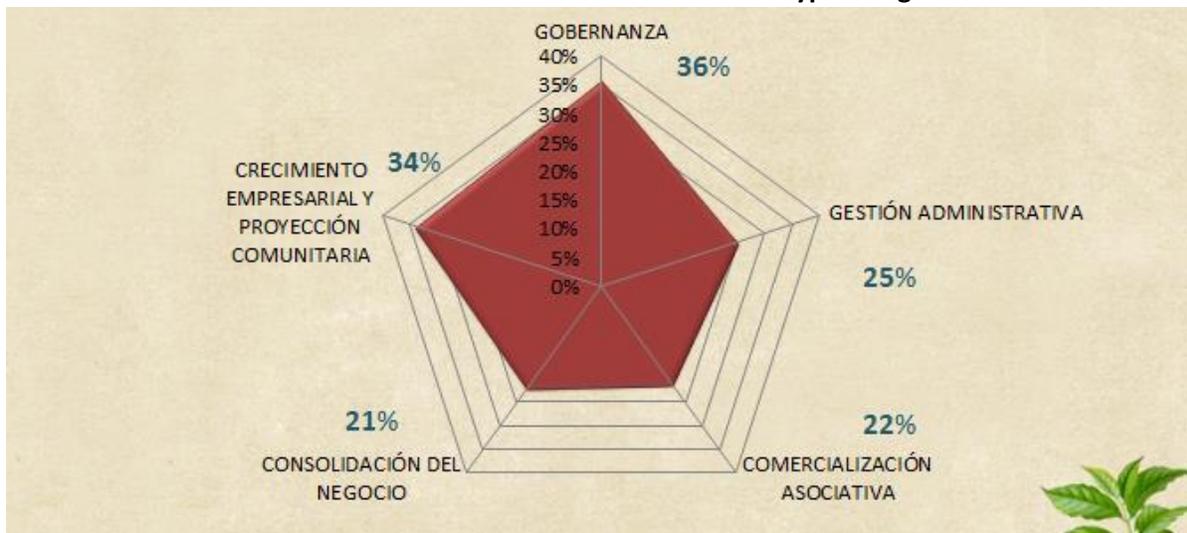
Effectiveness Under Phases for Type A Organizations



Effectiveness Under SIDEM Phases for Type B Organizations



Effectiveness Under SIDEM Phases for Type C Organizations



- As part of ARTEXCO efforts to strengthen entrepreneurial development, technicians are applying a strategy for artisans known as “Step by Step.” The strategy is designed to produce competitive organizations in two groups that are already structured. Technicians first completed a diagnostic assessment to then design an assistance plan for management, financial, productive and marketing capacities.

- As mentioned above, ARTEXCO worked with handicraft organizations to implement SIDEM beginning with the initial diagnostic for two groups and implementing three workshops as follows: a) exploration, b) self-assessment and c) assistance plan review. The Project used the findings from the diagnostic assessment to develop the assistance plans.
- FEDECOAG provided assistance to managers, assistant managers and accountants from 11 horticulture groups to improve entrepreneurial capacity i.e. management practices, accounting procedures, financial, legal and internal control aspects. Technicians also provided training on duties and responsibilities.

4.3.4 Financial Services

- In order to produce accurate financial statements, Project staff worked to update accounting records for *Asociacion Campesina Unidos para la Paz y el Desarrollo Integral Comunitario* (ACUPDIC) in San Marcos.
- RVCP provided assistance to *Asociacion de Pequeños Caficultores de Liberacion (APECAFEL)* in San Marcos to file a loan application with *Asociacion Manos Campesinas* in the amount of GTQ40,000.00 to build a coffee warehouse facility.
- Using RVCP technical assistance and support, members of *Grupo Amistad y Trabajo El Cafetalito* in San Marcos obtained a loan for GTQ90,698.40 from the Trust Fund for the Guatemalan Coffee Sector.
- ANACAFE technicians worked in Huehuetenango as follows:
 - Follow up to ensure that organizations apply policies as appropriate to increase their capitalization. In addition, work with organizations to manage credit and comply with payment obligations.
 - Assist ASODIET to file a loan application for GTQ300,000.00 from a commercial bank.
 - Work with *Cooperativa de Ahorro y Credito Esquipulas R.L.* to file an application for funding from the Trust Fund for the Guatemalan Coffee Sector in the amount of GTQ2,028,000.00.
 - Support ten individual growers from GATs (San Francisco Jolomtj and Centro Jolomtj) filing applications for funds totaling GTQ63,050.00 from the Trust Fund for the Guatemalan Coffee Sector.

- Work with *Cooperativa Esquipulas R.L* to loan GTQ300,000 to benefit 20 growers from *Asociacion ASDEFLOOR*.
 - Assistance in filing loan applications for individual members of ASDEFLOOR (GTQ15,000.00) and ASODIET (GTQ334,000.00).
- As summarized in the following table, FEDECOCAGUA provided financial leverage to co-ops as necessary for this season`s harvesting and processing operations.

<i>Co-op</i>		<i>Financing</i>
1	<i>Cooperativa Hoja Blanca</i>	GTQ1,800,000.00
2	<i>Cooperativa Pena Roja</i>	GTQ2,500,000.00
3	<i>Cooperativa Nuestro Futuro</i>	GTQ3,500,000.00
4	<i>Cooperativa Agua Dulce</i>	GTQ 536,000.00
5	<i>Cooperativa Tajumulco</i>	Q. 4,000,000.00
6	<i>Cooperativa San Jose El Obrero</i>	GTQ1,838,575.00
7	<i>Cooperativa Chojzunil</i>	GTQ 800,000.00
8	<i>Cooperativa Union Coataneca</i>	GTQ 465,000.00
9	<i>Cooperativa Nuevo Progreso</i>	GTQ 190,000.00
10	<i>Cooperativas Cocolense, Maxbal, La Providencia y la Nueva Union</i>	GTQ 2,352,427.20
TOTAL		GTQ 17,982,002.20

Source: source data from RVCP organizations

- FEDECOAG completed the following actions in regard to financial services as a crosscutting issue.
- Assistance in negotiating the sale of snow pea, sweet pea and lima bean crops through three agribusiness exporters (Agro San Juan, Grupo Seis and SIESA) and increase producer income.
 - Assist three co-ops (10 de Abril, El Paralso and San Pedro Unido) in working with the FONTIERRAS land lease program. A total of 97 families benefitted from loans in the amount of GTQ203,700.00 and grants totaling GTQ46,075.00.

- Work with Cooperativa Los Cuchumatanes in filing a grant application with FONAGRO for GTQ 502,380.00 to implement a project to strengthen agricultural production and trade. The project will benefit 104 women.

4.3.5 Communications

- This quarter, FUNCAFE reviewed and made improvements to the communication material on health and nutrition designed for the RVCP beneficiary families. Technicians took into consideration recommendations from NutriSalud, particularly in regard to the material on pregnancy and breastfeeding, children under the age of two and school age children. The team also shared the material with the consulting firm preparing the RVCP communications strategy.

The Project also finished printing up the material designed for the FUNCAFE family workshops. The team distributed more than 1,200 sets, including guidance for family gardens, recommendations for food and nutritional security and a recipe booklet.

- RVCP technicians worked with *Cooperativa Integral Agrícola Nuevo Eden R.L.* in San Marcos to draft their communications policy, including content for awareness posters, brochures and newsletters reporting on items of interest, upcoming meetings, notices on website updates, etc.

4.3.6 Coordination with Local and National Governments (Political Dialogue)

- FUNCAFE is working through mayors and municipal committees on food and nutritional security (*Comites Municipales de Seguridad Alimentaria y Nutricional* –COMUSANs in Spanish) to set up community committees on food and nutritional security (*Comites Comunitarios de Seguridad Alimentaria y Nutricional* –COCOSANs in Spanish).

The Project reports significant success with the COCOSAN in San Miguel Ixtahuacan, San Marcos, having established committees in two communities (San Jose Ixcaniche and El Zapote). The committees worked with RVCP technicians to draft their work plans for the thousand-day window and other activities that will increase family income and improve living conditions.

- The Nuevo San Luis GAT in San Marcos filed the paperwork and received approval to build an elementary school in the community.
- RVCP provided training for 30 members from six coffee producer groups in San Marcos on citizen participation and local government. Participants represent *Asociación Campesina Unidos Para La Paz y El Desarrollo Comunitario (ACUPDIC)*, *Cooperativa Integral Agrícola*

Nuevo Porvenir R.L., Cooperativa Integral Agrícola Nuevo Eden, Empresa Campesina Asociativa Emanuel and Grupo de Amistad y Trabajo El Cafetalito,

- The Project reports that 70 members from eight coffee producer groups in San Marcos are participating in the COMUDEs for Nuevo Progreso and San Miguel Ixtahuacan. The organizations are: *Asociacion Campesina Unidos Para La Paz y El Desarrollo Comunitario (ACUPDIC), Cooperativa Integral Agrícola Nuevo Porvenir R.L., Cooperativa Integral Agrícola Nuevo Eden, Empresa Campesina Asociativa Emanuel, Empresa Campesina Nueva Escocia, Grupo de Amistad y Trabajo El Cafetalito, Grupo de Amistad y Trabajo Nuevo San Luis and Asociacion de Caficultores Miguelenses (ACMI)*
- Members from five grower groups in San Marcos participated in RVCP training on community development at the municipal level. The organizations are: *Asociacion Campesina Unidos Para La Paz y El Desarrollo Comunitario (ACUPDIC), Cooperativa Integral Agrícola Nuevo Porvenir R.L., Cooperativa Integral Agrícola Nuevo Eden, Empresa Campesina Asociativa Emanuel and Grupo de Amistad y Trabajo Nuevo San Luis.*

5 Coordination, Cooperation and Exchange Mechanisms with other Institutions Working on Feed the Future (FtF)

- The Project UIP continues its participation on the inter-institutional platform for cooperation and coordination established by the National Agricultural Development Council (*Consejo Nacional de Desarrollo Agropecuario -CONADEA*) at the Ministry of Agriculture as an “opportunity for dialogue, coordination, cooperation and activities among a variety of technical cooperation efforts based on a value chains approach to promote rural development, with an initial effort using potato crops to improve competitiveness.”

As reported last quarter, the UIP is signatory to a technical cooperation agreement signed on January 21, 2014 for the multiple alliance platform on technical cooperation and inter-agency coordination to support the potato crop value chain.

- RVCP participates on both the central, as well as the USAID provincial committees for Huehuetenango and San Marcos. USAID established the committees as coordination and information exchange opportunities for the projects being implemented under Feed the Future (FtF).
- On March 25, the Project participated in a meeting of the USAID provincial coordination committee. The meeting included the participation of mayors and government representatives working in the province of San Marcos. The meeting provided an opportunity to discuss the

objectives, activities and achievements of the USAID FtF projects. The projects are all working within eight municipalities in the province that were prioritized as a result of their high poverty and extreme poverty levels.

The meeting provided an opportunity for RVCP to share results and exhibit some of the products developed within the horticulture, handicrafts and coffee value chains. The Project also highlighted activities within the crosscutting issue of food and nutritional security. In addition, the USAID projects and government participants at the meeting assumed two commitments, as follows: (1) projects will keep mayors from the eight priority municipalities informed as to their activities and achievements, and (2) government institutions expressed willingness to coordinate activities with USAID FtF projects working in San Marcos.

- FUNCAFE completed a process to coordinate activities with PCI staff in Huehuetenango working on the PAISANO project there. Technicians agreed that pregnant women or mothers with children under twelve months that are covered by FUNCAFE in communities with coverage shared by both projects (a total of six) will be included in the food supply program. In exchange, FUNCAFE will include women from the PAISANO project as participants in training and educational activities being offered in their communities. Local technical staff from FUNCAFE and PCI will coordinate efforts.
- FUNCAFE shared educational material with NutriSalud on food and nutritional security and family gardens. In addition, technicians worked on setting up medicinal plant gardens in San Marcos and Huehuetenango. FUNCAFE worked with health centers in those communities sharing coverage by NutriSalud to also set up medicinal plant gardens.
- FUNCAFE is actively participating as a member of the Alliance for Nutrition, contributing to work plans and activities to reduce chronic infant malnutrition. Progress to date includes an alliance with USAID/Guatemala to join efforts for a pilot effort in three communities. The pilot includes a series of 20 activities; FUNCAFE is working in one of those three communities on RVCP implementation.
- FEDECOAG received a visit from Counter Part International to set up contact points for project implementation. The Project coordinated a site visit to San Marcos to observe potato seed production, share appropriate technology for laboratory seed production and provide recommendations on open field or macro-tunnel production.

6 Results Summary

Component 1: Improved Competitiveness along Value Chains			
Description	LOP Targets	FY 2014 Target	Results as of March 2014
Producers using controlled conditions (greenhouses, macro-tunnels) for horticulture production	90	30	15
Partnerships among small-scale producer organizations and other stakeholders in horticulture value chain	10	1	-
Organizations paying for high level management positions	30	15	19
Organizations initiating capitalization programs	10	19	30
Number of loans obtained as a result of RVCP coordination, assistance or support efforts	40	34	2,613
Partnerships among small producer groups and savings and loan organizations	12	5	3
Arrangements for capital investment in producer organizations	5	0	0
Producers establishing a credit history (evidence of obtaining and repaying a loan on time)	200	1,589	604
Financial institutions using credit history when considering financial qualifications	2	2	1
Organizations strengthened by increased membership and improvements at decision-making levels	80	28	23
Organizations with women and youth at decision-making levels	40	20	39
Agreements with municipal governments in support of producer organization activities	4	3	-
Funds leveraged or invested in Project activities (expressed in GTQ)	24,000,000	25,250,000	1,263,972
COCODES and/or COMUDES involved with RVCP	15	14	32
Public policies discussed and negotiated	1	-	-
Amount of money involved in trade transactions conducted on digital platforms (expressed in GTQ)	8,000,000	-	-
Component 2: Broadened Participation in Value Chains – FY2014 Target Summary			
Individuals graduating from secondary school programs specializing in coffee and horticulture production **	120	14	24
<i>**14 students to graduate at the end of 2014</i>			
Component 3: Improved Agricultural Productivity – FY2014 Target Summary			
Coffee:			
Producers investing in renewed coffee plantations	2,253	1,890	278
Total area (in hectares) with renewed coffee plantations	1,397	776	489
Wet mill facilities that are new or modified to comply with water efficiency and wastewater disposal standards	16	2	3

Horticulture:			
Horticulture producers using irrigation systems	1,800	400	-
Total area (in hectares) planted with crops grown under controlled conditions (greenhouses, macro-tunnels)	2		1.5
Component 5: Increase Food Production and Improve Food Use			
Family garden plots used to increase availability of foods in the home	5,000	2,500	1,298
Families using improved stoves for safe food preparation	5,000	1,000	-
Families drinking safe water from purifying filters	5,000	2,500	1,132
Families trained on food and nutritional security	5,000	1,500	1,132
Schools applying food and nutritional security practices for their students	60	60	50
Schools using improved stoves to safely prepare meals	60	60	-
Schools using safe drinking water from purifying filters	60	60	50
Schools planting gardens with their students	60	60	50
Component 6: Improvements to the Handicrafts Value Chain – FY2014 Target Summary			
Individuals trained in business administration	1,800	600	484
Individuals trained on productive best practices	1,800	600	76
New handicraft products designed and produced	5	2	5
New markets established for handicrafts	4	1	1
Additional net annual income per producer as a result of handicraft sales	US\$ 1,000	US\$100	US\$51
New/additional investment in handicrafts	US\$ 1,250,000	N/C	\$7,300

7. Annexes

Annex 1: Photo Gallery



RVCP 2014 scholarship applicants for coffee studies program



19 scholarship applicants at Finca Las Nubes in Suchitepequez



Demonstrating nutritious food preparation in Aldea La Lima, San Miguel Ixtahuacan, San Marcos



Food demonstration in Aldea Buenos Aires, La Union Cantinil, Huehuetenango



Food preservation techniques in Canada, El Rodeo San Marcos.



Food preservation techniques at Cooperativa San Pablo, San Pablo San Marcos.



Food preparation and educational material distributed in San Miguel Ixtahuacan, San Marcos.

Coordination with Stakeholders and Partners



Coordination efforts with PAISANO, PCI Huehuetenango



USAID Mission Director visits programs working on food and nutritional security in Tuiboch, Todos Santos, Huehuetenango



FEDECOAG technicians provide hands-on training for bio-intensive agricultural and natural horticulture production



Project participation during mayoral meeting organized by USAID partners working in San Marcos to raise awareness regarding RVCP and food and nutritional security



Training members of the COCOSAN in El Zapote, San Miguel Ixtahuacan, San Marcos

Fully Productive Garden Plots



Garden producing amaranth seeds and other native species in Allen, San Miguel Ixtahuacan, San Marcos



Family harvests greens from their gardens in Allen, San Miguel Ixtahuacan, San Marcos



Productive garden in the community of La Esperanza, San Jose El Rodeo, San Marcos



Garden in El Matazano, San Pablo, San Marcos.



Tomato plants in San Pablo San Marcos



Horticulture production in San Miguel Ixtahuacan, San Marcos



Productive garden in La Cipresada, La Libertad Huehuetenango



Garden being tended in Santo Domingo Huica, La Libertad Huehuetenango



Productive garden beds in Tuiboch Mach, Todos Santos Huehuetenango



Tending beds in San Isidro La Democracia, Huehuetenango



Establishing a medicinal plant garden at the health center in Palmira Vieja, La Libertad Huehuetenango; coordinating efforts with local staff from the Ministry of Health and NutriSalud

Beneficiary Families Use Water Purifiers



Manuela Morales Ramirez, member of a co-op in El Porvenir, San Marcos Huista Jacaltenango, Huehuetenango



Water purifier used by the daughter of Romeo Morales Hernandez, member of *Cooperativa San Jose El Rodeo* in Aldea La Montana, La Libertad Huehuetenango



Member of a coffee grower group, *Asociacion de Caficultores Miguelense* in Aldea San Jose Ixcaniche, San Miguel Ixtahuacan San Marcos uses a water filter



Member of a coffee grower group, *Asociacion de Caficultores Miguelense* in Aldea San Jose Nueva Esperanza, San Miguel Ixtahuacan, San Marcos filters water



A member of *Cooperativa San Jose* in Aldea Venezuela, San Jose El Rodeo San Marcos



A member of *Cooperativa San Jose* in Aldea La Esperanza, San Jose El Rodeo, San Marcos

Training FUNCAFE Personnel and Partners



Training UNICEF field personnel to use role playing and tools to teach food and nutritional security during educational workshops in rural areas



Training on the use of Optifood software promoted by FANTA program to assess nutritional value in the daily diets of Project beneficiary families



Training FUNCAFE and FEDECOAG field personnel on exclusive use of breastfeeding and clinical signs of chronic and acute malnutrition

Activities with Schools



Delivering water purifiers to the schools in El Matazano, San Pablo San Marcos (left) and El Naranjo, San Rafael Pie de la Cuesta (right)



Students dig out the beds for a school garden in San Miguel Ixtahuacan, San Marcos



School garden gets planted in Matazano, San Pablo San Marcos



Installing a micro irrigation system for a school garden in San Isidro, La Democracia, Huehuetenango



Vegetable planting at school garden in Tuiboch, Todos Santos, Huehuetenango

Annex 2: Indicator Report

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
4.5-2	Number of jobs attributed to FtF implementation: Total (all rural)(*)		3,259
		Males	1,035
		Females	2,224
4.5-4	Gross margin per hectare of selected products (US\$)		-.-
Comments: This indicator is assessed annually.			
4.5.2-2	Number of hectares under improved technologies or management practices.		
		Crop genetics	1
		Pest Management	177
		Disease management	1,142
		Soil-related	151
		Irrigation	0
		Water management	261
		Climate mitigation or adaptation	489
		Other	38
		Total with one or more improved technology	1,616

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
4.5.2-5	4.5.2-5 Number of farmers and others who have applied new technologies or management practices as a result of USG assistance		124
4.5.2-7	Number of individuals who have received USG supported agricultural or food security short-term training		3,216
		Producers	3,208
		Technicians	8
		Men	2,074
		Women	1,142
Comments:			
4.5.2-11	Number of private enterprises, producers organizations, water users associations, women's organizations, trade and business associations, and community-based organizations receiving assistance		110
		Producer organizations	91
		Women's organizations	19
Comments: producer organizations with predominant female membership (over 50%) are counted as women's organizations.			
4.5.2-12	Number of public-private partnerships formed		--
Comments: there were no partnerships formalized during this quarter; however, several are under negotiation.			
4.5.2-13	Number of rural households benefiting directly from USG interventions - cumulative		7,385

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
Comments:			
4.5.2-38	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation		\$33,205
Comments: this amount corresponds to capital investments made by producers during this quarter.			
4.5.2-39	Number of technologies or management practices in one of the phases of development Phase III: made available for transfer as a result of USG assistance		10
Comments: The Project objectives do not include research or development of technologies or management practices; however, it is transferring already proved technologies and management practices. The package of technologies or management practices being transferred are organized under 10 categories: 1) genetics, 2) density, 3) renovation, 4) soil conservation, 5) shade management, 6) soil amendments and fertilization, 7) integrated pest management, 8) farm management, 9) product quality control, and 10) environmental sustainability.			
4.5.2-42	Number of private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance		
		Producer Organizations	68
4.8.2-8	Number of Climate Mitigation and/or adaptation tools, technologies, and methodologies developed, tested and/or adopted as a result of USG assistance		6
Comments: activities counted under this indicator are: • Soil conservation practices, • Use of resistant varieties, • Composting practices, • production of trees for firewood, • Water reuse and recirculation, and • Integrated pest management practices.			
4.5.2-23	Value of incremental sales (US\$)		-.-
Comments: This indicator is assessed annually.			
4.5.2-36	Value of exports		-.-

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
Comments: This indicator is assessed annually.			
4.5.2-14	Number of vulnerable households benefiting		7,385
Comments: all the households receiving assistance from the Project are considered vulnerable because they are rural households, located in areas prone to natural disasters, with low incomes, with a majority of indigenous population and affected by high rates of chronic malnutrition.			
3.1.9-1	14. Number of people trained in child health and nutrition		2,051
		a. Males	892
		b. Females	1,159
Comments:			
3.1.9-15	Number of children under five reached by nutrition programs		818
		a. Males	415
		b. Females	403
Comments:			
GNDR-2	Proportion of female participants in USG assisted program designed to increase access to productive economic resources (assets, credit, income or employment)		26%
Comments:			